

Algeria	6.00	Dollars	1.50	Swiss	6.00
Argentina	10.50	Centavos	1.50	Swiss	6.00
Australia	1.50	Dollars	1.50	Swiss	6.00
Belgium	40.00	Centavos	1.50	Swiss	6.00
Canada	1.50	Dollars	1.50	Swiss	6.00
France	1.50	Dollars	1.50	Swiss	6.00
Germany	1.50	Dollars	1.50	Swiss	6.00
Italy	1.50	Dollars	1.50	Swiss	6.00
Japan	1.50	Dollars	1.50	Swiss	6.00
Spain	1.50	Dollars	1.50	Swiss	6.00
Sweden	1.50	Dollars	1.50	Swiss	6.00
Switzerland	1.50	Dollars	1.50	Swiss	6.00
U.S.	1.50	Dollars	1.50	Swiss	6.00
U.K.	1.50	Dollars	1.50	Swiss	6.00
West Germany	1.50	Dollars	1.50	Swiss	6.00
Yugoslavia	1.50	Dollars	1.50	Swiss	6.00

Gandhi Is Killed; 2 Sikhs Are Blamed

Rajiv Sworn In as India Leader



Rajiv Gandhi, right, the son of Indira Gandhi, was sworn in Wednesday as prime minister by President Zail Singh.

NEW DELHI — Rajiv Gandhi was sworn in Wednesday as India's prime minister, only hours after his mother was assassinated.

The Indian leader, who at 40 has only a few years experience in government, was himself considered a likely target for an assassination attempt by Sikh militants earlier this year, when threats were made against his life.

The grandson of independent India's first prime minister, Jawaharlal Nehru, and great-grandson of another leading nationalist figure, Rajiv Gandhi did not enter politics until after the death of his younger brother, Sanjay, in 1980.

But his mother, Indira Gandhi, quickly prepared him for the succession, which had seemed destined for the dynamic Sanjay.

Rajiv Gandhi has little experience in international affairs, although he accompanied his mother on several trips abroad, including those she made to Washington and Moscow.

Since his tentative beginnings, Rajiv has played an increasingly greater political role, and he became a general secretary of the ruling Congress (I) Party early in 1983.

He was an airline pilot until he was brought into politics, hailed as someone who could bring a new integrity to the Indian political scene.

Rajiv Gandhi was educated at an exclusive private school in northern India and at Cambridge University in England. His father, Feroze Gandhi, was a Parsi, unlike the Nehrus, who were Kashmiri Brahmins, a patrician Hindu caste.

Rajiv flew for the domestic carrier, Indian Airlines, until the death of Sanjay in the crash of a small plane shattered Mrs. Gandhi's aspirations that her younger son and close adviser would become a political leader.

"I was very happy with the airlines," Rajiv said in a newspaper interview afterward. "But after Sanjay's death there was a void in the party, and a feeling that only I could fill it."

In 1981, Rajiv was elected to Sanjay's former parliamentary constituency of Amethi in northern India. Sanjay's widow, Maneka, estranged from the late prime minister, formed her own political party and vowed to fight Rajiv in his constituency in general elections due in the next few months.

In February 1983, following significant defeats in state elections by Congress (I), Rajiv was appointed one of five general in a shakeup of the party conducted by his mother.

Hailed by party workers as India's hope for the future, he appeared alongside Mrs. Gandhi at a national convention of Congress (I) last January. There was no doubt then that Rajiv was the number two power behind his mother.

At the party conference, Rajiv attacked the opposition on both the right and the left and assisted his mother in formulating an election strategy based on what the party calls "mass contact" with voters.

Later this year, he visited Punjab, despite threats by Sikh extremists to kill him. He told Congress (I) workers not to be intimidated by threats, but to go into remote villages to restore confidence in the party.

Displaying humor and vitality, Rajiv seemed oblivious to danger during the visit, answering reporters' questions on the problems with assurance and calm.

Rajiv Gandhi has been playing a key role in preparations for the elections, becoming the main organizer of party workers in the country's 22 states.

Rajiv Gandhi and his wife, Sonia, an Italian, have two children.



Indira Gandhi

Gunmen Are Reported Slain; Violence Erupts Across India

Compiled by Our Staff From Dispatches

NEW DELHI — Prime Minister Indira Gandhi was assassinated Wednesday by two gunmen identified as Sikh members of her bodyguard, and within hours violence erupted in major cities across the country.

Mrs. Gandhi's son, Rajiv, 40, was sworn in to succeed her as prime minister. He had been a general secretary of his mother's Congress (I) Party since 1983 and had been prepared for the succession.

Mrs. Gandhi, 66, was shot as she was walking from her New Delhi house to her office. She died in a hospital about two hours later.

"Suddenly, out of the blue, two persons carrying Sten guns — one uniformed and one in civilian clothes — shot at Mrs. Gandhi," the United News of India reported. "Eight to 10 bullets hit her." Informed sources said she was shot from seven feet (two meters) away, the news agency reported.

Reports were sketchy, but officials told Reuters that the two gunmen were shot to death when fellow guards fired on them.

Official sources identified two of the assassins as Beant Singh and Satwant Singh and said they were members of a special bodyguard known as the Delhi Armed Police Constabulary.

An anonymous telephone caller

told The Associated Press that Sikhs had killed the prime minister in revenge for her decision to send the army into the Sikh Golden Temple in Amritsar in June to crush a Punjab autonomy movement. At least 600 people died in the battle.

"We have taken our revenge," the caller said. "Long live the Sikh religion. This is the act of the entire Sikh sect."

As darkness fell, crowds poured out of Delhi's slums to vent their anger and grief. Witnesses said more than a dozen buses and taxis were set ablaze in the capital, where several taxi services are manned by Sikhs.

Police sealed off New Delhi and threw a security net around Mrs. Gandhi's cabinet, a police source told Agence France-Press.

The source said that the entire 24,000-person New Delhi police force had been put under maximum alert and that all leaves had been canceled.

Security guards were doubled outside the homes of government ministers and senior officials and all entry and exit routes to the city were sealed off, the police source said.

In Bombay, groups of people shouted anti-Sikh slogans outside the principal Sikh temple, and Sikh

shops were under heavy police guard, according to residents. In Calcutta, police used batons to disperse demonstrators, and at least one person was killed. Trains were attacked and burned and traffic was at a standstill, witnesses said.

In Trivandrum, capital of the southern state of Kerala, huge crowds occupied the main railroad station and blocked trains. A state-wide strike had begun, residents said.

Crowds forced shops to close in the southern city of Bangalore, the Press Trust of India news agency said.

Most Sikhs were stunned and grieving with the news of the murder, but a few rejoiced at the main Sikh shrine in the capital.

In Amritsar, five Sikh high priests issued a statement condemning the murder and calling on people to maintain communal harmony.

The assassination plunged India into its worst political crisis in 37 years of independence.

Mrs. Gandhi had been facing growing problems not only in Punjab but also in Jammu and Kashmir, a mainly Moslem state bordering Pakistan. She had successfully staved off calls for autonomy from opposition governments in Tamil

(Continued on Page 2, Col. 5)

OPEC Announces Cuts; Market Prices Recover

By Bob Hagerty

International Herald Tribune

GENEVA — The Organization of Petroleum Exporting Countries announced Wednesday a formal agreement to cut production, and it insisted that the move would dry up the oil glut.

Oil market prices bounced up from their recent lows as traders weighed the cartel's prospects for propping up prices. In futures trading late Wednesday afternoon on the New York Mercantile Exchange, West Texas Intermediate oil for December delivery was quoted at \$28.60 a barrel, up 38 cents from Tuesday.

But traders and analysts were awaiting evidence of compliance with the accord reached by the organization.

"They have not instilled a lot of confidence in the marketplace," said Lawrence Goldstein, an economist at Petroleum Industry Research Associates in New York. "People are going to hold back a little longer" before deciding whether to bet on higher prices.

At the end of a three-day meeting, ministers approved a reduction of OPEC's production ceiling to about 16 million barrels a day from 17.5 million, effective immediately. Estimates of OPEC output now range from 16 million to 18 million barrels a day.

The OPEC plan to squeeze the market hinges on forecasts that demand for its oil will average around 19 million barrels a day in the fourth quarter.

By creating a temporary shortage, the cartel hopes to exert pressure for another cut in its official prices. These have been widely flouted by OPEC countries desperate to sell oil.

Arab light, used as the benchmark for OPEC's pricing, is officially priced at \$29 a barrel. But on the spot, or noncontract, market, it is trading at around \$28.

OPEC ministers refused to say how long the production cut would be in effect, but some suggested that oil prices would move up substantially before the end of the year.

Saudi Arabia's oil minister, Sheikh Ahmed Zaki Yamani, predicted that spot market prices would reach official price levels by the end of November.

Sheikh Yamani and other ministers acknowledged that some OPEC members have cheated by offering discounts or by overproducing. But the ministers insisted that the threat of a price collapse had pulled OPEC together.

"Now they realize that it's not a joke," Sheikh Yamani said of his fellow oil ministers.

OPEC's emergency meeting was a response to price cuts of \$1 to \$2 a barrel in October by Norway and Britain, which are outside the cartel, and by Nigeria, an OPEC member.

Nigeria refused to rescind its cut, which made the price of its crude as much as \$2 less than official prices for other OPEC crudes of similar quality.

Nigeria, which is burdened by a foreign debt of about \$22 billion, is determined to preserve its market share. It said it would await a revival of demand before considering a higher price.

But the price for Nigeria's key crude, Bonny light, is 65 cents less than that proposed by Britain's state-owned oil trading company for similar crude. Thus, unless demand for oil revives soon, Bonny light will come under heavy pressure to trim its prices again.

The Nigerian price also undercuts Norway, whose unexpected October price cut precipitated the reductions by Britain and Nigeria.

OPEC delayed the decisions it faces on price differentials, the differences in prices among various grades of crude oil. OPEC has come under pressure to change its pricing structure, because changes in refining methods have increased demand for the cheaper heavy crudes at the expense of light crudes.

OPEC appointed a committee of three ministers, headed by Sheikh Yamani, to discuss the problem and propose solutions at the next meeting.

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A Tough Woman Who Dominated India

New York Times Service

Indira Gandhi, the dominant figure in India for more than two decades, was a woman attracted to controversy and skilled in the use of her vast power.

She grew up in the shadow of her father, Jawaharlal Nehru, the former Indian leader, and stunned almost everyone by her emergence as a tough, shrewd and ruthless woman of commanding presence and absolute will. She maintained for many years that power did not interest her.

"I like being prime minister, yes, but not more than I liked the other jobs I have done in my life," she said in 1973. "I am not ambitious. I don't care for honors."

That was two years before she brisily assumed dictatorial powers.

In response to what seemed a threat to her strength, and espoused the tenets of authoritarian rule, from suspension of civil liberties to censorship of the press.

Then, demonstrating that India's familiar label as the world's largest democracy was not just a cliché, the voters of India swept her out of office and, 18 months later, voted her back into power again.

Her critics charged that her promises to erase poverty were quixotic and that India's chronic and severe problems of food shortages, malnutrition, population growth, illiteracy and exploitation by landlords actually burgeoned during her years of power.

They said, too, that she tolerated corrupt ministers and fostered corruption in her younger son, Sanjay,

and that she was hungry for power and surrounded herself with inept advisers rather than brooking potential rivals.

Until June 1975, it seemed that Mrs. Gandhi's central achievement was her adherence to cementing democracy — an achievement that ultimately ripped the reins of autocracy from her hands.

She was successful in reasserting, sometimes forcefully, the dominance of the central government over states that seemed to be squabbling perennially with one another.

She also made clear her abhorrence of the tensions between Hindus and Moslems that continue in India. She repeatedly sought to blunt communalism in the nation and made clear her detestation of

the Hindu nationalists who exploited anti-Moslem feelings.

As a private person, Mrs. Gandhi seemed aloof, chilly, complex, giving no clue in her withdrawn, quiet personality as to why her public figure should appeal as it did to many millions of Indians. She could be rude, sometimes opening letters and signing papers when foreigners visited her in the red sandstone Parliament or the nearby South Block of the secretariat.

She was physically frail. She had suffered from tuberculosis, low blood pressure, kidney problems and muscle spasms in the neck and had ignored doctors' orders not to have children. She worked 14 hours a day and seemed lonely.

Until her emergence as a dicta-

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India's Sikhs: Fear of Losing Their Identity

United Press International

NEW DELHI — India's Sikhs represent less than 2 percent of the country's population of 700 million, but members of the religious sect have held high positions in the government and armed forces. The nation's president and the commander of the air force are Sikh.

Until three years ago, Sikhs would lead a religious and political struggle resulting in hundreds of killings, including that of Prime Minister Indira Gandhi.

Sikhs controlled much of India's road transport, and their rich farmlands in northern Punjab state produced 65 percent of India's grain. The Sikh religion, founded in the 15th century as a fusion of Hinduism and Islam, has always been seen by majority Hindus as a sister religion.

Intermarriage was common and Sikh-Hindu relations were close. But to an increasing number of young Sikhs, who feared they would lose their identity in a country dominated by Hindus, relations were too close.

By the mid-1970s, many Sikhs wanted an autonomous state along the Indian-Pakistan border.

The main Sikh political party, the Akali Dal, began a nonviolent program of demonstrations to pressure the central government to yield to its demands for greater religious and political autonomy in Punjab.

By 1982, extremists were playing a major role in Sikh politics. The best known among them was Jarnail Singh Bhindranwale, a rural preacher with a gift for oratory.

He became a hero to many Sikhs when the government arrested him for complicity in the 1981 murder of a Hindu newspaper editor only to release him after violent protests that left 17 people dead.

With a heavily armed corps of supporters, Mr. Bhindranwale moved into the Golden Temple, the shrine most revered by Sikhs, in Amritsar.

Weapons flowed in, bought with money from the growing Bhindranwale following or donated by smugglers sharing the Golden Temple as a refuge. Sikh demands and violence both escalated. No longer content with autonomy within India, the most radical Sikhs called for an independent Sikh nation.

In October 1983, after Sikh extremists killed eight Hindu bus and train passengers, the central government put Punjab under direct administration from New Delhi. By June 1984, the terrorist campaign had claimed more than 300 victims.

Mrs. Gandhi ordered the army into Punjab and went on national television to warn: "No government can allow violence and terrorism any premise in the settlement of issues."

On June 6, the Indian Army moved on the Sikh's Golden Temple. It met with fierce resistance and used tanks and howitzers despite orders to damage as little of the temple as possible.

When it was over, more than 600 people, including about 100 soldiers, were officially reported killed, including Mr. Bhindranwale. Other sources placed the death toll at 1,200.

Reagan Sees a Democratic Malaise

Says Crossover Vote Could Mark Major Realignment

By Francis X. Clines

New York Times Service

WASHINGTON — President Ronald Reagan, in speaking of the possibility of a "historic electoral realignment" in Tuesday's election, has indicated that he believes a large number of voters might, for the first time, shift their long-term loyalties from the Democrats to the Republicans.

Mr. Reagan contended Tuesday that it was "no mere coincidence" that areas of the greatest urban blight and desperation had a long history of representation by Democratic politicians.

In this unusual indication of his personal confidence, Mr. Reagan directly broached the subject of a realignment that his aides talked of in private.

Mr. Reagan said at a public rally at the White House that a realignment would not come from his own popularity

but from voters finally jaded at being "taken for granted" by Democratic politicians long in control of "big city machines."

In one of his strongest condemnations of the rival party, Mr. Reagan told a gathering of black and other supporters from minority groups:

"It's no mere coincidence that the most blighted areas of the country, places of desperation, are areas that have been political strongholds of the other party for many years."

The Democrats have said that Mr. Reagan's economic and social policies have harmed the urban needy, in particular, and channeled more government benefits to the middle and upper classes.

Mr. Reagan responded Tuesday by describing areas of urban blight as symptomatic of the "city" and "handouts" that he said had been the policies of Democrats. In con-

trast, he contended, his administration offers these areas opportunity and jobs.

The office of House Speaker Thomas P. O'Neill Jr., Democrat of Massachusetts, rejected Mr. Reagan's remarks about blight as akin to "holding the fire company responsible for fires."

Christopher J. Matthews, an aide to Mr. O'Neill, noting that Mr. Reagan signed a whites-only covenant in a real estate transaction about 40 years ago in Los Angeles, said: "It is no coincidence that the man who ridicules the ghetto is the same man who has signed the kind of restrictive land covenants that helped create ghettos."

Mr. Reagan said he was not aware of the racial restriction at the time of the transaction.

"I believe that next Tuesday we'll see a large number of voters joining our Republican ranks for

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INSIDE

■ Nicaragua's Sandinista have made secret offers of money to opposition parties, party leaders say. Page 3.

■ President Reagan vetoed a bill to employ young people in conservation jobs. Page 3.

■ Polish Communists condemned the killing of a priest as an "act of terror." Page 5.

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■ Namibia's economy continues its slide. Page 7.

Mondale Fares Better With Europeans

But, Polls in 3 Nations Find, Many Don't Care Who Wins

By E.J. Dionne Jr.

New York Times Service

ROME — Europeans frequently say that, given the United States' world role, they should have the right to vote in U.S. elections. But a New York Times-CBS News Poll has found that half the West Germans and French and a third of the Britons say they do not care who wins on Tuesday.

Among those who do not respond with indifference, however, European preferences look rather different from those in the United States. In West Germany and Britain, support for Walter F. Mondale, the Democratic presidential candidate, is about equal to that for President Ronald Reagan. In France, however, Mr. Reagan is preferred by a wide margin.

One reason for Mr. Reagan's strength may be his greater name recognition, for in all three countries substantial percentages

thought the president's policies had hurt their nation's economy. Even among those groups, however, Mr. Reagan drew substantial support.

Moreover, in Britain half of those polled said they believed his foreign policies had increased the risk of war in Europe. In West Germany, 38 percent did, but in France, which was both the most pro-American and the most sympathetic to Mr. Reagan's foreign policy, only 24 percent said they felt that way.

The three surveys, involving a total of 2,990 interviews earlier in October, were undertaken to measure the opinion of typical Europeans about an election in which the American campaign rhetoric, if not necessarily the voting decisions, deals heavily with foreign policy.

Asked which of the last four American presidents had done the most for world peace, former President Jimmy Carter ranked first by

wide margins in West Germany and Britain, and he tied Richard M. Nixon in France.

Twenty-two percent of the German respondents chose Mr. Carter, to 9 percent for Mr. Reagan, 6 percent for former President Gerald R. Ford and 4 percent for Mr. Nixon. In Britain, Mr. Carter was preferred by 26 percent, compared with 11 percent for Mr. Reagan and 7 percent for Mr. Ford.

In France, however, Mr. Carter and Mr. Nixon tied with 16 percent, followed by Mr. Reagan at 12 percent and Mr. Ford at 4 percent.

Americans, asked the same question in mid-October, gave substantially different responses. Thirty-two percent said they regarded Mr. Nixon as the recent president who had done the most for world peace. Mr. Carter was second at 24 percent, Mr. Reagan third with 21 per-

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A Tough Woman Who Dominated India

(Continued from Page 1)

torial figure in mid-1975 fulfilled her critics' warnings, most criticism was leveled largely at Mrs. Gandhi's economic failures. She came to power with the announced intention of abolishing poverty — it was her election slogan — and to impose socialism. But the program was inconsistent, opponents said, as the flood of controls and restrictions turned corruption into a fact of life.

However vague her destinations may have seemed, Mrs. Gandhi was always clear about her conviction that she was meant to lead India. She rarely indulged in self-analysis and usually brushed aside questions about her failed marriage and her possibly difficult role as the daughter of the nation's first prime minister.

"Every position has advantages and disadvantages," she once observed. "I had an advantage because of the education my father gave me and the opportunities of meeting some great people, not only politicians, but also writers, artists and so on. But in politics one has to work doubly hard to show one is not merely a daughter but is also a person in her own right."

She added, "Of course, being a woman you have to work twice as hard as a man."

Indira Priyadarshini (the second name means "Dearly Beloved") was born Nov. 19, 1917, the only child of Jawaharlal Nehru and his wife, Kamala, in Allahabad in northern India.

Her grandfather, Motilal Nehru, who owned the house in which they lived, was a brilliant lawyer who discarded a lucrative practice to ally himself with Mohandas K. Gandhi and the Congress Party in the independence movement.

By all accounts, the child's early years were painfully lonely. The house served as a headquarters for the freedom struggle; her parents were frequently taken off to jail; the police were constantly there.

"My public life started at the age of 3," she said. "I have no recollection of games, children's parties or playing with other children. My favorite occupation was a very small child was to deliver thunderous speeches to the servants, standing on a high table."

In her turbulent childhood — erratic schooling in India and Switzerland, followed by involvement in the independence struggle as a courier and demonstrator — she knew her father chiefly through the famous letters he wrote from a succession of prison cells.

In 1937, she enrolled at Somerville College, Oxford, where she studied public and social administration, history and anthropology.

With the Indian independence movement nearing an apparent confrontation with the British, she sailed home in 1941 with Ferus Gandhi, a newspaper man from Allahabad, who had worked in the Congress movement. He was a childhood friend, but her family was shocked when she announced, on arriving home, that she and Mr. Gandhi — who was not related to Mohandas Gandhi — planned to marry.

"Nobody wanted that marriage, nobody," she recalled many years later. Mr. Gandhi was of a different religion; she was a Hindu, he was a Parsi, which meant that "the whole of India was against us."

But she and Ferus Gandhi were married in March 1942. By September of that year, they were both sent to prison by the British. In fact, the only real domestic period of their troubled marriage was between 1943 and 1946, when they

Assassination Recalls Killing of the Mahatma

Agence France-Press

PARIS — Prime Minister Indira Gandhi is the second major Indian political figure to be assassinated since the country became independent in August 1947. The killing recalled the death of Mohandas K. Gandhi, the father of Indian independence, who was shot by a Hindu fanatic.

The 79-year-old Mahatma, a term that means "great soul," was killed Jan. 30, 1948, while going to an evening prayer meeting on the lawn at his home in New Delhi.

Mahatma Gandhi, who was not related to Indira Gandhi, led a campaign of "nonviolent noncooperation" to seek independence for India from British rule.

He was approached by a man about 35, who took a pistol from his pocket and fired three shots at point-blank range, wounding Gandhi in the chest and lower stomach. The Mahatma fell, muttering "the ram" (oh God) and died half an hour later.

His killer was Nathuram Vinayak Godse, the editor of a small Hindu-nationalist newspaper, who bitterly opposed the Gandhi's philosophies of religious tolerance and Hindu-Muslim friendship. Mr. Godse and an accomplice were executed in May 1949.

Gandhi's assassination came 10 days after an earlier attempt on his life, in which a young Hindu exploded a grenade 30 yards (27 meters) away from him at a similar prayer meeting.

lived in relative quiet in Allahabad. A son, Rajiv, was born in 1944, and another, Sanjay, in 1946.

That year Nehru became prime minister of a provisional government as a prelude to full Indian independence, and Mrs. Gandhi became his official hostess.

Despite her shyness, and the fact that most politicians, diplomats and journalists viewed her only as Nehru's daughter, Mrs. Gandhi felt almost obligated to play a political role in India.

Her first step toward national stature took place in 1955, when she was elected to the 21-member Congress Party working committee. Four years later, she was named president of the party, obviously because she was the daughter of Nehru.

In May 1964 Nehru died of a stroke. Mrs. Gandhi went into a period of silent withdrawal for weeks.

Lal Bahadur Shastri, the new prime minister, offered Mrs. Gandhi a cabinet post; she chose the relatively nonprestigious job of minister of information and broadcasting and did a lackluster job.

But in 1966, when Mr. Shastri died suddenly, the Congress Party's leaders chose Mrs. Gandhi as prime minister.

Her first year of leadership was one of uncertainty, although she did make some strong moves, such as dividing the Punjab and proposing that the commercial banks be

nationalized, which was achieved in 1969.

In 1967 India's 250 million voters returned the Congress Party to power by a narrow margin. Mrs. Gandhi promptly announced a 10-point program to bring about a socialist state with a stable economy.

Congress gradually became a divided party, with an older group forming around Morarji R. Desai and a younger, more radical faction gathering around Mrs. Gandhi.

With the party split and Mrs. Gandhi maintaining her populist stance, moving to nationalize the banks and eliminate the funds given to princely states, she abruptly called for elections in March 1971, a year ahead of schedule.

Mrs. Gandhi emerged with a parliamentary victory of dimensions comparable to those of her father, with her wing of the party winning 350 seats.

A crisis in her rule began in 1975 with the decision of a high court judge in Mrs. Gandhi's native Allahabad convicting her of two counts of electoral corruption — the specific charges included the use in her election campaign of the services of a government official — and declared her election to Parliament invalid. The ruling questioned her right to remain as prime minister and prohibited her from running in any election for six years.

Not surprisingly, the opposition seized upon the ruling, despite her decision to appeal to a higher court, there was an immediate clamor for her to resign.

But she said there was "no question" of resignation. Instead, at dawn two days later, dozens of opposition leaders, including Mr. Desai, the deputy prime minister, were arrested and taken to jail, and Mrs. Gandhi proclaimed a state of emergency. Acting under a law that was a holdover from British rule, which bestowed sweeping and arbitrary powers on the government, Mrs. Gandhi had first hundreds and then thousands of people arrested.

Soon domestic critics and foreign observers were proclaiming that democracy was dead in the country. India's equivalent of the bill of rights was suspended; the press was sharply censored; thousands were jailed incommunicado and without the right to know the charges against them.

As her powers expanded, Mrs. Gandhi severely ignored the protests, including demonstrations in

which several people were killed. "In India," she said, "democracy has given too much license to people."

In November, the Supreme Court dismissed the charges against Mrs. Gandhi, basing its ruling on the law passed about two months after her conviction that rewrote the election law so as to omit the offenses of which she had been found guilty.

In early January 1977, Mrs. Gandhi, in a surprise announcement, told the country that elections would be held in March because of her "unshakable faith" in the power of the people.

The opposition to Mrs. Gandhi had a single theme, expressed by one banner as "End Dictatorship, Restore the Queen."

On March 20, 1977, the voters did just that, defeating Mrs. Gandhi and making Mr. Desai, whom she had imprisoned two years before, prime minister. Mr. Desai headed the Janata Party, the dominant factor in the loose anti-Congress coalition.

In October 1977, after being rebuffed in her efforts to reclaim the leadership of the Congress Party, Mrs. Gandhi was arrested on charges of official corruption. After a few hours in jail — she refused bail — she was ordered released by a magistrate who found no reasonable grounds for her detention.

In early 1978, Mrs. Gandhi and her supporters broke away from the regular Congress Party and formed what was known as the Congress (I) — for Indira — Party. She won a by-election in a rural south Indian district later in the year.

In December 1978, the government acted to charge her with harassing four government officials who had been investigating Maruti Ltd., the automobile company set up by Sanjay Gandhi. She denied the charges.

After a seven-day debate, however, the vote on Prime Minister Desai's motion that she be expelled and jailed for the remainder of the session was 279 to 138.

Public response to her arrest made it clear that she was, with all her faults, still a considerable and revered national figure. Several thousand of her supporters were arrested in clashes with the police, and several people were killed. She was released when the parliamentary session ended a few days later.

"I had a good rest," she said.

The anti-Indira coalition was crumbling under the weight of its failure to resolve India's chronic crises and even more from internal politics.

In July 1979 Prime Minister Desai resigned. Repeating her brilliant 1969 divide-and-conquer victory, Mrs. Gandhi threw her vital support behind Mr. Charan Singh, another man she had once had thrown into prison, as Mr. Desai's successor.

In the elections of January 1980, Mrs. Gandhi and her Congress (I) Party won a sweeping victory, winning two-thirds of the seats in Parliament.

Her power seemed secure, barely ruffled by growing murmurs that her younger son, Sanjay, was misbehaving. In June 1980, however, Sanjay — her open favorite — was killed in the crash of a small plane.

After six months, Mrs. Gandhi picked her older son, Rajiv, as her successor in the party.

Mrs. Gandhi described her own role in characteristic fashion: "For the good of the people I will even drink poison, but only give nectar to them."



Indira Gandhi with her son, and now successor, Rajiv, in the garden of her residence in New Delhi on Oct. 12.

World Leaders Express Grief at Gandhi Killing

Compiled by Our Staff From Dispatches

PARIS — World leaders expressed their sorrow and condolences Wednesday over the assassination of Indira Gandhi.

President Ronald Reagan said: "I want to express my shock, revulsion and grief over the brutal assassination. Her determined efforts to promote peace, security and economic development in South Asia and throughout the world will serve as a constant reminder of Mrs. Gandhi's commitment to protect the shared values of democratic nations."

In Moscow, the Soviet Foreign Ministry said all Soviet people "heartily condemn the criminals and their patrons who have raised their hands against the outstanding leader of India."

President Konstantin U. Chernenko, in a personal message to Mrs. Gandhi's son, Rajiv, said: "In these sorrowful days the Soviet leadership once again stresses the favorable desire of the Soviet Union to strengthen friendly relations with the republic of India."

President Mohammed Zia ul-Haq of Pakistan expressed "deep shock and horror." Tension between the neighboring countries ran high recently after New Delhi accused Islamabad of aiding Sikh militants. The two nations fought a 12-day war in 1971.

The Pakistani government announced a three-day mourning period.

In London, Queen Elizabeth II, as head of the Commonwealth, said "the world and the Commonwealth have lost one of their most distinguished leaders."

Prime Minister Margaret Thatcher said the killing was was

"vicious, barbaric, terrible." For her, Mrs. Thatcher said, Mrs. Gandhi was "a symbol of India."

At the Vatican, Pope John Paul II said "a very sad new link has been added to the chain of atrocities which have bloodied the world."

President Francois Mitterrand of France paid tribute to the Indian leader as "an unwavering patriot, an illustrious prime minister and a champion of Third World rights."

In London, Harcharan Singh, general secretary of the Supreme Council of Sikhs in Britain, which represents 300,000 Sikhs in that country, said the shooting was "the act of a coward." But, he said, referring to the recent conflicts between the Indian government and the Sikh community, "she was more or less asking for it."

Prime Minister Olof Palme of Sweden, who worked with Mrs. Gandhi on projects to promote world peace, said "it is deeply tragic that the Indian nation and its people has been deprived of a leader who was able to unite India around common goals and a democratic development."

Benazir Bhutto, the leader of the banned opposition Pakistan People's Party, said Mrs. Gandhi would be remembered as a freedom fighter and a democrat.

Miss Bhutto, daughter of Zulfikar Ali Bhutto, the Pakistani prime minister, who was executed by the Zia government in April 1979, said: "For decades, Mrs. Gandhi dominated the politics of her country, first as a freedom fighter against colonialism and then as the thrice-elected prime minister of the largest democracy in the world."

(AFP, UPI, AP, Reuters)

2 Sikh Bodyguards Blamed; Violence Erupts in India

(Continued from Page 1)

Nadu state in the south and West Bengal in the east.

A senior official told Reuters, "India was teetering on the brink of a precipitous fall. The sudden removal from the helm may well push it over the edge."

The swift appointment of Rajiv Gandhi as prime minister lessened the risks, analysts told Agence France-Press. But it was too early to forecast what would happen. India's highly volatile system, where ethnic divergencies play a dominant role.

Mr. Gandhi's succession perpetuated, at least for the moment, the dynasty that began with his grandfather, Jawaharlal Nehru, the nation's first prime minister.

After the assassination, official sources in the Punjab state capital of Chandigarh said Indian troops were on full alert and had sealed off the border with Pakistan. Indian officials have said Pakistan helped

to train and arm some of the Sikh guerrillas. Islamabad denied the charges.

The government said Wednesday night that Mrs. Gandhi's funeral would be held Saturday.

At the hospital where she was taken after the attack, more than 100,000 people, mostly Hindus, wept, prayed, offered to give blood and pressed against the police lines.

"She is no more,"

Anguished cries, sobs, curses and threats erupted from the throng of people surrounding the All-India Institute of Medical Sciences and spread across the roofs of nearby buildings. (Reuters, NYT, AFP, AP)

WORLD BRIEFS

Comecon Wants More Nuclear Plants

MEXICO CITY (AP) — Soviet bloc leaders meeting in Havana have called for the construction of more nuclear power plants in their nations to supplant conventional facilities, the Cuban press agency Prensa Latina reported.

The agency's dispatches, monitored in Mexico City, said that the proposal was contained in a multination report that Cuba's vice president, Carlos Rafael Rodriguez, read Monday at the 39th session of the Council for Mutual Economic Assistance, or Comecon, the bloc's common market. Few details were provided.

Prensa Latina also reported that trade between the Communist countries and Latin America increased from \$310 million a year in 1970 to \$3.2 billion a year in 1982. A Comecon spokesman was quoted as saying that the organization's trade with developing countries had increased by 18 percent during the last two years.

Lebanon Prepares for Israeli Pullout

BEIRUT (Reuters) — Militia leaders have agreed in principle to allow the Lebanese Army to take over the coastal road to South Lebanon in preparation for a possible Israeli troop withdrawal this month; political sources said Wednesday.

They said a Druze leader, Walid Jumblatt, had agreed to the creation of a new army brigade to take over the Beirut-Sidon road, now controlled by the militia and the Christian Lebanese Forces militia. Sources in the militia said the Lebanese Forces would go along with any government move to extend army control outside Beirut.

There are fears of intercommunal violence in the south if Israel withdraws its troops before the army is in position to take over security.

U.K. Asks Clarification on Soviet Ban

LONDON (AFP) — The British government has asked for clarification from the Soviet Union concerning reports that Moscow has decided to interrupt supplies of all Soviet energy products to Britain as a gesture in support of striking British miners, the Foreign Office said Wednesday.

According to press reports, the decision was announced Tuesday on Soviet television by the official responsible for the Soviet miners' union, Alexander Belousov, in what he said was "a protest against repression against British miners" who have been on strike for eight months.

Britain does not import large quantities of energy products. Imports of Soviet coal in 1983 were worth \$2.4 million (about \$2.4 million), but it is believed that coal imports have risen since the British strike began in March. Britain imported 2.5 million tons of Soviet heating and industrial oil in 1983, while Britain's imports of all refined products totaled 18 million tons.

Angolan Condemned for Espionage

LISBON (WP) — A court in Angola has sentenced to death an Angolan formerly employed by the U.S. Consulate, accusing him of spying on behalf of the United States and playing a leading role in an alleged foreign-backed attempt to subvert the economy.

The sentencing of Francisco Fragata, an Angolan who worked at the former U.S. Consulate in Luanda, the Angolan capital, came at the end of a six-month trial of 124 persons. Mr. Fragata was the only defendant accused of espionage. Others were charged with running a diamond and currency smuggling ring that the government said cost Angola \$150 million and sought to provoke social and political upheaval.

State prosecutors, according to Angolan press reports monitored here, alleged that the operation was backed by the "highest financial circles" in the United States and Europe.

For the Record

Ethiopian guerrillas freed two Americans and two other foreign hostages Wednesday, 11 days after they were captured during heavy fighting with government troops near Lalibela, diplomats in Nairobi said. (UPI)

In the 20th game of the world chess championship in Moscow, Anatoli Karpov, the champion, and Gary Kasparov, his challenger, agreed Wednesday to a draw on the 15th move. Mr. Karpov continues to lead in games won, 4-0. (AP)

Sweden's two-week epidemic, in which two persons have died, is spreading, with two new cases reported Wednesday. Fifteen people suffering from the disease are isolated in hospitals in Goteborg and Lund. (AFP)

The head of the Soviet Air Force, Alexander I. Koldumov, has been promoted from marshal to chief marshal, the press agency Tass reported Wednesday from Moscow. Tass did not say whether the higher rank would entail new responsibilities for Mr. Koldumov, who also is deputy defense minister. (AP)

Mondale Runs a Closer Race Among Europeans, Polls Find

(Continued from Page 1)

cent and Mr. Ford last at 5 percent.

Concerning this year's campaign, European preferences were clear only in France, where Mr. Reagan led Mr. Mondale, 31 percent to 19 percent. In West Germany, Mr. Mondale had a lead of 28 percent to 26 percent. In Britain, Mr. Reagan led by 34 percent to 33 percent. In each survey, the margin of sampling error was plus or minus 4 percentage points.

The survey underlined a major split in the European left on questions involving foreign policy, with the French Socialists displaying marked sympathy for the United States and a substantial tolerance for Mr. Reagan.

The enormous lead that Mr. Reagan enjoys over Mr. Mondale in France appears partly to be the result of a general disaffection with the Socialist government of President Francois Mitterrand. Over the last two years, anger at perceived Socialist failures has pushed public opinion to the right on many matters. This appears to be encouraging sympathy for Mr. Reagan.

By contrast, West Germany is governed by a center-right coalition led by Chancellor Helmut Kohl, and Britain is governed by Prime Minister Margaret Thatcher and her Conservative Party. As a result, the left and center-left is less tarnished by the problems of incumbency, and conservative leaders such as Mr. Reagan are less attractive.

One striking finding is that in both Britain and West Germany, as in the United States, there is a tendency for men to support Mr. Reagan by a greater margin than women, although the difference in Europe is small.

In all three countries, supporters of right-of-center parties were overwhelmingly for Mr. Reagan. However, on the political left, French Socialists stood out as exceptions to the rule that Social Democrats and leftists in Western Europe prefer Democratic candidates in the United States.

The difference appeared to reflect a number of trends on the non-Communist left in France that have made the United States, and even such conservative figures as Mr. Reagan, popular. These include Mr. Mitterrand's strongly anti-Soviet and pro-Western policies, a broadly negative reassessment of the Soviet Union by Socialists and Marxists, and a malaise, even among Socialists, about the future of leftist ideology.

These findings were supported by substantial differences in attitudes toward the United States in the three countries.

In all three, respondents were asked to describe their feelings toward the United States. In France, 44 percent said they were pro-American and 15 percent were anti-American. In Britain, 39 percent were pro-American and 20 percent were anti-American. In West Germany, 35 percent were pro-American and 19 percent anti-American.

Pro-Americanism and sympathy for Mr. Reagan in France were further underlined when respondents were asked if the president's policies had increased or decreased the risks of war in Europe, or had had no effect.

In France, only 24 percent said Mr. Reagan's policies had increased the chances of war, compared with 38 percent in West Germany and 50 percent in Britain.

In the United States, the president's popularity is attributed in large measure to the performance of the U.S. economy. But almost no one in France, West Germany or Britain believes Mr. Reagan's economic policies have helped their country.

In all three countries, particularly in France, political leaders have blamed the large U.S. budget deficit and high interest rates for their economic problems, and their constituents seem to believe them.

In France, 58 percent said they thought Mr. Reagan's economic policies had hurt their country's economy. In Britain, the comparable figure was 55 percent; in West Germany, it was 35 percent.

Los Angeles Seeks To Limit Smoking

Los Angeles Times Service

LOS ANGELES — The Los Angeles City Council voted, 12-3, Wednesday to approve an ordinance regulating smoking in the workplace throughout the city.

The measure was sent to Mayor Tom Bradley, who has the option of signing or vetoing it. He has indicated he supports some type of smoking regulations.

The ordinance requires employers with five or more workers to devise accommodations satisfying both nonsmokers and smokers. It carries criminal penalties for non-compliance. The measure prohibits an employer from firing or disciplining an employee who insists that the ordinance be enforced.

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Reagan Vetoes a Conservat

By Robert Pear
New York Times Service
WASHINGTON — President Ronald Reagan has vetoed a bill aimed at employing thousands of young people in conservation work on public lands.

Mr. Reagan said Tuesday that the bill, providing \$225 million over three years for an American Conservation Corps, would have created "temporary make-work" jobs. He denounced it as a "discredited approach to youth unemployment."

He said: "America's unemployed youth would be better served by reducing federal spending so that more resources are

available to the private sector. The private sector is much more likely to offer young people promising career opportunities."

Environmental groups criticized his action. Supporters of the bill estimated it would have provided work for 18,500 youths in the first year.

Mr. Reagan signed Tuesday more than 60 bills, including a trade measure that he hailed as "a triumph for freer and fairer trade" and a bill that established a national policy for economic regulation of cable television.

He vetoed a bill that would have more precisely defined the statutory responsibilities of the Nation-

al Institutes of Health, the men's biomedical research center. The bill would have created two new institutes, to promote research on arthritis and nursing techniques, while clarifying the missions of the 11 institutes that already exist.

Mr. Reagan said the bill would have created "unnecessary, expensive" new institutes and established "overly specific requirements for the management of research."

Ordinarily Congress can override a presidential veto if each house votes by a two-thirds margin to reaffirm its support for the bill.

However, Congress adjourned for the year Oct. 12 and will have

an opportunity to overturn the veto announced Tuesday. To pass now, the bills will have to go through the entire legislative process again.

In the long list of bills approved by the president were several designating National Forest Service lands as wilderness areas. Such bills covered 34,300 acres (13,700 hectares) in Texas, 24,900 acres in Tennessee, 9,700 acres in Virginia, and 55,900 acres in Pennsylvania. The designation means the lands must be preserved in their pristine state.

He vetoed a bill that authorized additional U.S. aid for the training of medical students and other

health professionals. He said the bill would have permitted spending of \$2.4 billion over three years, or 41 percent more than he requested.

The cable television bill signed by the president culminates a four-year effort to balance the rights of cable operators against the rights of cities that regulate such operations.

The bill would permit state and local authorities to continue regulating rates charged by cable companies for two more years. They could regulate rates beyond that period only in areas where the Federal Communications Commission found that a cable system was "not subject to effective competition."

Reagan and Republicans Riding Tall in the West and Rockies

By Fred Farris
International Herald Tribune
WASHINGTON — A sweep of the Western and Rocky Mountain states appears likely for President Ronald Reagan and for most Republican congressional and gubernatorial candidates.

Walter F. Mondale, the Democratic candidate, and his running mate, Geraldine A. Ferraro, have challenged Mr. Reagan in his home state of California, as well as in Washington and Oregon, with personal appearances and television advertising. But polls show the president with a substantial lead.

There are 45 electoral votes, the largest of any state, at stake in California.

A reapportionment plan in California engineered in 1980 by Democratic leaders left most incumbents in its 45 House districts with what are considered safe seats. The state now has 28 Democrats and 17 Republicans in the House.

Elsewhere in the Far West, where Republicans have been strong in recent years, unemployment under Mr. Reagan has been high in logging, farming and fishing areas. But that has been offset by a boom — due in part to the administration's arms buildup — in electronics, aerospace and defense in California and Washington.

Mr. Reagan appears well ahead in Washington, which has given Republican presidential candidates its 10 electoral votes since 1968. But Governor John D. Spellman, 57, a Republican, is in a difficult race for a second term against his Democratic challenger, Booth Gardner, 45. Of the eight congressional districts, five are considered safe for Democrats, with three likely to go Republican.

The polls also point to a Reagan victory in Oregon. In a key Senate race, incumbent Mark O. Hatfield, 62, a Republican, appears to have weathered a midsummer scandal and is seen as a certain winner. Les AuCoin, 41, a five-term Democratic representative, is being challenged strongly by a well-financed Republican, Bill Moshofsky, 61, in the 1st District. A narrow AuCoin victory is predicted. Three other congressional districts are leaning Democratic while a fifth is leaning Republican.

Mr. Reagan is running strong in Alaska, according to local

observers, partly because he has started turning over federal land to the state. The seat of Senator Ted Stevens, 60, a Republican, is considered safe against the challenge by a Democrat, John E. Havelock, 52. The state's representative, Don Young, 51, a Republican, is favored over the challenger Peggy Begich, 46, a Democrat.

The president is favored to win again in Hawaii, where he bucked a traditional Democratic bent to win in 1980. Hawaii's two incumbent Democratic congressmen, Daniel K. Akaka, 60, and Cecil Heftel, 60, are expected to be re-elected.

Mr. Reagan appears well ahead in Arizona. Of five House districts, three are safely Republican; one that of the incumbent, Morris K. Udall, 62, is safely Democratic, and the 5th District has a virtually even battle between the incumbent James F. McNulty Jr., 58, a Democrat and Jim Kolbe, 42, a Republican former state senator.

Nevada, the home state of Senator Paul Laxalt, a Reagan friend and campaign adviser, is clearly in the president's column. Its two House seats are expected to be shared, one going Democratic and the other Republican.

The conservative Mormon Church has helped Utah become a Republican bastion in recent presidential elections, but the state has had Democratic governors five times in 20 years.

Its current governor, Scott M. Matheson, 55, a Democrat, is retiring and the Republican speaker of the state's House, Norman H. Bangert, 51, is expected to win a narrow victory over a Democrat, Wayne Owens, 47. Two of Utah's three House districts are considered Republican. The third is in the Salt Lake City area, where Frances Farley, 61, a Democrat, is running against Lieutenant Governor David S.

Monson, 39, a Republican. Observers think it is too close to call.

Idaho is safely Mr. Reagan's and Senator James A. McClure, 59, a Republican, is considered sure to win re-election.

George Hansen, 54, the Republican incumbent representative, was sentenced to 5-to-15 months in prison and fined \$40,000 for filing false reports about his finances. But he has artfully compared his disclosure problems with Ms. Ferraro's and is in a close battle with Richard Stallings, 43, a Democrat. Larry E. Craig, 39, another Republican House incumbent, is expected to win.

Max Baucus, 42, Montana's liberal Democratic senator, is favored over his Republican opponent, Chuck Cozzens, 42. Governor Ted Schwinden, 59, a Democrat, is expected to win a second term. Observers believe the two House incumbents, a Democrat and a Republican, will be returned to Congress.

Senator Alan K. Simpson, 53, Republican of Wyoming, is expected to win easily over Victor A. Ryan, 63, a Democrat. The state's one House member, Richard B. Cheney, 43, a Republican, is likely to be re-elected.

Montana and Wyoming are both solidly in Mr. Reagan's column.

The Democrats are counting on the support of Denver's liberal white-collar and minority voters, but Colorado is expected to go for Mr. Reagan. Senator William L. Armstrong, 47, a Republican, is expected to win a second six-year term against Nancy Dick, 54, the Democratic lieutenant governor. In the state's House districts, three Republican and two Democratic incumbents are expected to be re-elected and the 6th District is leaning toward a Republican.

Democrats are also counting on the support of New Mexico's Hispanics but the state looks safe for Mr. Reagan. Senator Pete V. Domenici, 52, is expected to turn back a challenge from Judith A. Pratt, 43. Two Republicans and a Democrat are expected to be re-elected to the House.

Tax-limiting measures are on the ballot in California, Nevada, Oregon and Washington.

Next: President Reagan is likely to win at least two-thirds of New England's electoral votes but the Democrats are expected to do well in races for Congress and governorships.



RECORD IS SET — Baby Fae set a record Tuesday as the longest-surviving human recipient of a heart from another species. She received the heart of a baboon last Friday. Officials at the University Medical Center in Loma Linda, California, said the five-pound infant remained in serious but stable condition and continues to do well.

Party Leaders Say the Sandinists Have Tried to Buy Political Support

By Stephen Kinzer
New York Times Service
MANAGUA — The governing Sandinist National Liberation Front has secretly offered to provide opposition political parties with additional campaign funds in exchange for promises that they will take certain political positions, according to party leaders.

Opposition activists also said that U.S. diplomats had been urging them to drop out of the race. The U.S. Embassy confirmed that senior diplomats had met with leaders of opposition parties in the last two weeks, but it denied that pressure had been applied.

The United States has characterized the Nicaraguan election as illegitimate because too many important opposition forces are not taking part.

In an unpublished agreement signed Oct. 22 in Managua, leaders of six non-Sandinist political parties agreed to restrain their criticism of the 10-month-old military draft law, which has aroused considerable controversy. They also promised to encourage a large voter turnout.

The agreement made no mention of money, but party leaders said an oral accord was reached under which the Sandinists offered to give five million cordobas (\$18,000) to each party that signed.

When the campaign began three months ago, each party was told publicly that it would be given nine million cordobas for the campaign, but campaign workers said Tuesday that they had long since spent that amount.

A spokesman for the Sandinist campaign had no comment on the agreements.

Nicaragua has a history of secret cooperation among political parties that appear to be opposing each other.

When the Sandinists first announced that elections for president, vice president and a 90-member assembly would be held Nov. 4, it was hoped that a wide spectrum of parties would take part.

But three opposition parties that

Chilean Toll Rises to 7 As Police Fight Protesters

The Associated Press
SANTIAGO — Demonstrators fought with police in Chile's capital early Wednesday, defying a curfew imposed after at least seven persons were killed during one of the largest protests in 11 years of military rule.

Residents in at least a dozen working- and middle-class districts in Santiago reported that demonstrators set up burning barricades and threw rocks at riot police deployed in the capital by President Augusto Pinochet's military government.

The police announced that six persons had been killed during widespread disorders in Santiago and that one man had been shot to death in the Pacific coast city of Arica, 1,300 miles (2,100 kilometers) north of Santiago on the border with Peru.

Authorities said 38 persons had been injured — including 16 police officers — and 155 arrested Tuesday as a national strike called by Marxist groups crippled public transport and brought disorders to scores of Santiago neighborhoods. Most Peruvians, however, failed to heed the strike call.

Two of the persons killed were electrocuted by a fallen power line, according to a hospital and the office of the Santiago military commander, General Rene Vidal.

The four other persons killed in Santiago were shot, according to authorities and witnesses. There was no immediate indication of who had done the shooting.

Tuesday was the second consecutive day of protests calling for an end to military rule and a return to democracy.

A protest Monday was called by centrist opponents of General Pinochet, who has ruled Chile since the military overthrew Salvador Allende, an elected Marxist president, in 1973.

General Pinochet, 68, threatened in a speech Monday to declare a state of siege. He also ruled out prompt legalization of political parties or any change in the four-man junta's prerogative to name Chile's president in 1989.

Police and military patrols moved through Santiago streets early Wednesday to enforce the curfew — imposed from 10 P.M. to 5 A.M. — and helicopters hovered above the city.

Mondale Is Pressing Hard to Overtake Reagan in Ohio, Michigan and Illinois

By Phil Gailey
New York Times Service
CLEVELAND — Walter F. Mondale is making an intense effort to overtake President Ronald Reagan in three Middle Western states that Democratic strategists count as vital to his hope of an upset victory in the presidential election Nov. 6.

But Mondale supporters in Ohio, Michigan and Illinois said that while there are signs that wavering Democrats are beginning to return to their party, Mr. Mondale's effort may have come too late to overcome what appears to be a commanding Reagan lead in this region of high unemployment and economic distress.

Robert G. Beckel, the Mondale campaign manager, said that despite the poll results he considered Mr. Mondale to be "competitive" in these states.

But Lee Atwater, deputy manager of the Reagan campaign, said, "We can't see any way Mondale can win without carrying all three of these states, and right now we're ahead in all of them."

"In the early part of the campaign, Mondale was campaigning

in the South instead of shoring up his base" in the industrial rim around the Great Lakes, he added.

With both candidates intensifying their campaigning in the Middle West, it appears that Mr. Mondale's best hope of winning a share of the region's electoral votes depends on the ability of organized labor and big-city political machines in Detroit and Chicago to turn out a solid Democratic vote.

Recent Democratic and independent polls show Mr. Reagan 10 percentage points or more ahead of Mr. Mondale in Michigan, Ohio and Illinois, where a total of 67 electoral votes are at stake.

The latest Reagan campaign polls found the president with an even bigger lead: 16 percentage points in Ohio and Michigan and 11 in Illinois.

But Mr. Mondale's strategists said the former vice president is not willing to concede these states.

"What has to happen in the last days of this campaign is for us to win Democratic voters back," said Don Sweitzer, the Mondale campaign coordinator in Ohio. "I think it's beginning to happen, but the

CAMPAIGN BRIEFS

Senate Faces Leadership Changes

WASHINGTON (UPI) — A five-way fight for the Senate leadership post and close elections in Illinois and North Carolina bode major changes in the Senate's top power structure even if Republicans retain control.

Five candidates seek to succeed the retiring Senate Republican leader, Howard H. Baker Jr. of Tennessee. Three among those five hold committee chairmanships they would have to leave if chosen. Meanwhile, possible election defeats of two Republican senators, Jesse Helms of North Carolina, who is chairman of the Agriculture Committee, and Charles H. Percy of Illinois, chairman of the Foreign Relations Committee, would mean new chairmen would be chosen.

One change already is certain if the Republicans retain their majority: Senator Barry Goldwater of Arizona will succeed Senator John Tower of Texas, who is retiring, as chairman of the Armed Services Committee.

Republican Takeover Is Doubtful

WASHINGTON (AP) — A political expert for a leading conservative research group says that in the absence of a national mood "to throw the rascals out," Republicans stand to gain only a handful of House seats in the election and are not even close to wresting significant power from the Democrats.

Norman J. Ornstein, a congressional statistics expert for the American Enterprise Institute for Public Policy Research, doubts that Republicans can pick up the 25 or so seats they need to rebuild a coalition with conservative Democrats that once was able to push through President Ronald Reagan's economic programs.

Mr. Ornstein noted that the 27 seats open in this election are fewer than have occurred in the House in any election in more than a decade.

Guru's Followers to Boycott Election

RAJNEESH PURAM, Oregon (AP) — Followers of an Indian guru who earlier vowed to enroll thousands of new voters in Wasco County now say they will boycott the Nov. 6 election and seek to have balloting overturned unless registration is made easier for residents of their town, Rajneeshpuram.

The county halted voter registration Oct. 10 after followers of Bhagwan Shree Rajneesh had bused in thousands of homeless people from around the country and urged them to sign up to vote. Opponents of Rajneesh throughout Oregon had in turn vowed to vote in Wasco County to counter any effort by the sect to take over the county government.

Reagan Sees Crossover Vote Signifying Major Party Shift

(Continued from Page 1)

the first time." Mr. Reagan told the Republicans, who included a number of black athletes.

"This is no mere political cycle, nor has it anything to do with the personality of the candidates. We're attracting the support of people who have never voted with us before, not because they're deserting the Democratic Party but because the Democratic Party has deserted them."

The president, whose campaign managers are emphasizing a possible landslide Reagan victory, raised the subject of a basic party shift. He said the election could mark "the beginnings of a new phenomenon that observers have been noticing — that's if everything turns out right — a historic electoral realignment."

Reagan strategists, encouraged by polls suggesting the president remains well ahead of his Democratic opponent, Walter F. Mondale, are working to attract a record number of crossover Democrats and independents.

Accordingly, Mr. Reagan has been drawing a distinction between the Democratic Party voters and politicians in offering the rationale that long-time loyalty should not be a factor.

"For longer than any of us can imagine, the Democratic Party has held the allegiance of a large number of Americans who were not heretofore served by the policies of that well-served by the policies of that party," he said at the White House gathering. "Yet voting habits are gathering. I know, I was a hard to change. I know, I was a Democrat myself for most of my adult life."

Mr. Reagan said he envisioned that sizable support would come from crossover votes by traditional

Democratic groups. He said that "big city machines kept in power by organized voting groups were key to Democratic victories over the years," and he contended that the "unquestioned loyalty" extended by such Democrats had not led to improvements in their lives.

"For far too long now the other party has taken for granted many of those who have faithfully given their support," he said. "Their policies are tax, tax, spend, spend, and no friend to those who want to improve their well-being."

"What the less fortunate need is not pity, but opportunity, not handouts but jobs," Mr. Reagan said.

Vote for Union at Stanford

The Associated Press
STANFORD, California — Non-academic employees of Stanford University have voted, 782-424, to unionize. They voted Tuesday in favor of joining a local of the Service Employees International Union.

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A Stunning Loss in India

"If I die today, every drop of my blood will invigorate the nation," Indira Gandhi said Tuesday night. Her assassination Wednesday morning left India to struggle on without her leadership but with her legacy of brave faith in a single, democratic and forward-looking nation.

Mrs. Gandhi's father, Jawaharlal Nehru, shaped independent India's early political and economic development. His daughter grew up in a highly politicized atmosphere and inherited enormous national problems. Critics often contrasted the daughter's pragmatic skill as a political manipulator with the father's broad vision and ingrained liberal outlook. Between them, though, with their different styles and in different times, the two prime ministers held India together.

Mrs. Gandhi inspired deep devotion but also fierce animosity. Enemies accused her of tyranny. When she imposed a state of emergency in 1975 there was cause for worry; in the end she submitted to electoral defeat before returning in triumph in 1980. Today it is customary to salute India's achievement under Indira Gandhi in preserving democratic government despite oversized ethnic and economic strains.

Once again a sudden drama of communal violence in India has stunned the world. As they pay tribute to a leader who loved her people, India's friends hope that her stubborn vision of a united nation will inspire Indians — those who revered her and those who did not — in their common crisis.

INTERNATIONAL HERALD TRIBUNE

The Hamlet of Nations?

Secretary of State George Shultz warns, in a vivid phrase, that the United States is becoming "the Hamlet of nations" for hesitating to retaliate against terrorist attacks. Yet with an ambivalence worthy of Hamlet he also cautions that "we must always keep in mind the values and way of life we are trying to protect. Clearly we will not descend to the level of barbarism that terrorism represents."

Ay, there's the rub. The secretary has defined but not resolved the essential dilemma. And he has met resistance even among the bolded House on his own team. It is easy to imagine "swift and sure measures" against terrorists, but difficult to design measures that will punish the guilty and spare the innocent.

Better to seize on Mr. Shultz's less equivocal idea: to identify terrorism that is clearly sponsored by governments, and then seek collective action against those governments.

There is no case for bombing all over Lebanon in the hope of striking those who have driven truck bombs against Americans. If Syria or Iran is demonstrably responsible for abetting the terrorists, it should confront American and international sanctions.

Nor should terrorism loom up large only when Americans are the victims. A year ago North Korea was charged by Burma with having plotted the bomb-killing of 17 South Korean officials visiting Rangoon. There was no call for action anywhere. Libya's abuse of diplomatic immunity to commit murder in Britain produced reams of denunciation but

no real penalties, not even discussion of them. In his angriest moods, Mr. Shultz asks for violence to counter violence, even if innocents bear the brunt. He asserts that "our morality must not paralyze us." But to what purpose? Bombing Lebanese villages will not deplete the supply of fanatics ready to sacrifice their lives in a truck. It might produce more of them. The Israelis at least had the geographic objective of forcing infiltrators back from their borders.

Mr. Shultz is quick to express his frustration. But there is no quick fix. Last year's bad idea was to invade the liberties of Americans in the hope of finding a few who were secretly assisting terrorists. Now the temptation is to violate America's standards abroad.

Principled nations need to fashion a principled response. One, as President Reagan recalled in his Oct. 21 debate with Walter Mondale, is to seek the kind of global collaboration that has worked to reduce airframe hijackings. Most nations learned to share information and agreed not to shelter hijackers. Such an accord was reached even with Fidel Castro's Cuba.

The effort requires collaboration in the pursuit of terrorists and then in punishing governments that assist them. When many nations agree, offending states can be ostracized and punished with a range of sanctions. The civilized consensus, however, will not be reached, in Horatio's words, by a policy "of accidental judgments, casual slaughters; of deaths put on by cunning and forced cause."

—THE NEW YORK TIMES

Go Jump in the Lake

The Federal Emergency Management Agency has rejected a recommendation from the Lawrence Livermore National Laboratory that factory workers protect themselves from nuclear attack by jumping into large pools of water wearing "as much clothing as possible." The idea, says the agency, is "ludicrous" and likely to "undercut the entire civil defense program and cause loss of validity to the very real concept of nuclear survivability." Why would the agency think that?

We would be insincere in denying that the thought of thousands of well-wrapped workers bobbing up and down in the factory swimming pool has its humorous aspect. And we are not sure that, despite its many years of work with things nuclear, the Livermore lab has thought through all the angles of its proposed remedy. What if workers don't want to wear their entire wardrobes to work each day? Will they have time to hurry home for another layer or two?

The report also suggests "diving about four feet down and spending as little time as possible at the surface for air." That should be easy if you are wearing long underwear, three sweaters, two winter coats and a muffler. The difficulty we foresee is getting to the surface at all. And we take no comfort from the report's suggestion that workers "taking advantage of large bodies of water should not only be good swimmers... they should also tether themselves to a flotation device." How many bodies

of water do you know that come equipped with hundreds of conveniently spaced "flotation devices"? Lobster buoys, perhaps?

Who will be there to blow the whistle that tells the sudden workers that it's time to get out of the pool and go back to the locker room? Perhaps their supervisors will have shielded themselves from blast and fallout by wrapping themselves in the "wet, opaque blankets" that the report also recommends.

Still, we wonder why the Federal Emergency Management Agency has become so thin-skinned. This, after all, is the agency which less than a year ago revealed the good news that, given the relative survivability of livestock and people, food supplies would be no problem in the post-nuclear environment. And the same one that, only a year earlier, unveiled a sure-fire plan to evacuate two-thirds of the population to rural areas — a plan that depended for its success only on the Soviet Union giving at least a week's warning before attacking. Why so sensitive all of a sudden?

It also seems to us that, in canceling the remainder of the laboratory's study grant, the agency has been insensitive to the real difficulties that Livermore faced. After all, its charter called for developing a plan to save city factory workers in the event of nuclear attack. Maybe it isn't so easy to develop such a plan without seeming, well, ludicrous.

—THE WASHINGTON POST

Other Opinion

Why Nothing About the Dollar?

It is an extraordinary commentary on the workings of the American political system that the strong dollar, and its depressing effect on U.S. industrial and agricultural exports, was hardly mentioned in the debates between President Reagan and Democratic challenger Walter Mondale. It is hard to think of a more fundamental pocketbook issue.

Despite recent signs of cooling, the U.S. economy is growing, but it is a lopsided kind of growth. Imports are going up three times as

fast as exports, and the effect is being felt on the job market. Even high-technology industries and others that are trying hard to trim costs and become more competitive find themselves swimming upstream because their foreign competitors are being subsidized by the high dollar. The Reagan administration likes to talk about the "opportunity society" that its policies are creating. Unless something is done about the huge federal budget deficit and the overvalued dollar, however, those opportunities will prove illusory.

—THE LOS ANGELES TIMES

FROM OUR NOV. 1 PAGES, 75 AND 50 YEARS AGO

1909: A New Bag for Cab Horses

BELTIN — It remained for a policeman, not a cabman, to invent a food bag to make it easier for a cab horse to take his meals while he works. Herr Christoph Riemer is the creator of this humane novelty, and the cabmen of the city declare it the right thing. The food bag is attached to the shafts of the vehicle by two iron rods, bent to the proper angle, and the horse can eat his oats without being obliged to put his head down close to the ground. One of the cabmen resting by the sidewalk in the Friedrichstrasse said to me: "This food bag has its advantages. Some horses continually throw their heads out by shaking their heads, but the new scheme will prevent that."

1934: Mexican Clergy Face Charges

MEXICO CITY — The religious war in Mexico was intensified (on Oct. 31) when President Abelardo Rodriguez told Attorney-General Emilio Portes Gil to prosecute the Catholic clergy on charges of inciting a rebellion. It is expected that every Catholic church in the republic will be closed as a result. That declaration by the President was indicated by the President's statement that "the guilty persons in the majority of cases are of doubtful Mexican nationality." The President added: "Taking as a pretext reform article 3 of the Constitution for Socialistic Education, the Catholic clergy have started an open seditious campaign with the purpose of rebellion."

Who Is Covering Up, and What?

By George F. Will

WASHINGTON — The view from Waterloo Bridge in London — down the Thames toward Westminster Palace — toward the House of Parliament — across passing symbols of the West's attainments. But the bridge itself is now a symbol of the brazenness of the West's enemies.

Georgi Markov, 49, was walking across Waterloo Bridge on Sept. 7, 1978, heading home from his work at the studios of the BBC External Services. Suddenly he felt a sting on the back of his thigh and, turning, saw a man bending to retrieve an umbrella. The man murmured, with a foreign accent, "I'm sorry."

Mr. Markov did not mention the incident to his wife, but early the next morning he suffered a raging fever and said: "I have a horrible feeling that this may be connected with something which happened yesterday." As Bulgaria's leading man of letters before he defected, he had received many threats and warnings. One warning said he would be poisoned by a substance, tested in Moscow, that causes a high fever.

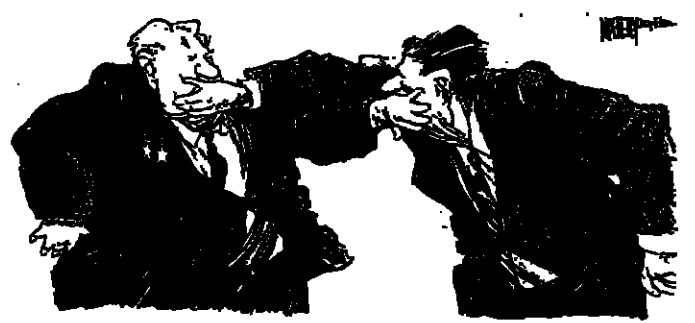
Scotland Yard announced that doctors found in his thigh a tiny pellet containing ricin, a poison extensively studied in Eastern Europe. There is no known antidote. The pellet was a highly sophisticated bit of murder technology. It was made of a platinum-iridium alloy that the human body does not reject. It was the size of a pinhead and had four openings to hold the poison. A similar pellet had been used in an unsuccessful

Markov killed. "The Truth That Killed" is the autobiography he broadcast to Bulgaria, carrying the regime. Mr. Markov's only child, who was just two when he died, asked her mother, "Why did Daddy write those things if he loved us?" Her mother replied that he thought Bulgaria's rulers would not risk the scandal that might result from killing him.

But the real scandal is that there is so slight, and so fleeting, a sense of being scandalized by such crimes. The fact is illustrated by, and may have helped bring on, the so-called

intelligence leaders and march them through Claire Sterling's book, page by page, asking why she single-handedly leaped to much more than the intelligence agencies collectively did. The committee should dwell on her accounts of attempts by U.S. agents to discourage her investigations. The real "crime of the century" is the complicity of democracies in suppressing evidence of the Soviet crime, lest relations between East and West become unpleasantly realistic.

What are relations to be with a country like the Soviet Union, which is now killing its dissidents by medical neglect? Describing the kidnapping "in familiar urban-terrorist



"crime of the century" — the Bulgarian plot to kill the pope.

The mills of Italian justice grind slowly, but they grind exceedingly small and are grinding to dust the pretense that the Turkish gunman acted alone. There is now no reason to doubt that his attack was organized by Bulgarians, who would not have undertaken such an audacious crime without the approval of the highest Soviet authorities.

None of this is news to anyone who has read Claire Sterling's book, "The Time of the Assassins." Her work on this case is the journalistic achievement of the age. Her appalling evidence strongly suggests complicity by some democratic governments, America, in covering up the Soviet crime.

The cover-up that Italian authorities are pulling apart, thread by thread, demands this action:

The U.S. Senate's Select Committee on Intelligence should call in U.S.

style" of the Sakharovs. The Economist says in London that the extraordinary fact is that this atrocity was not the work of a mere terrorist gang but an action "approved by Soviet ruling circles," in violation of Soviet law and the equally worthless 1975 Helsinki human rights undertakings.

It is a horrendous fact that the six-month anniversary of that kidnapping falls in the week of the U.S. election. And it is splendid that the machinery of Italian justice has synchronized with the machinery of American electoral politics.

This is the tenth consecutive election in which all issues should be secondary to this one: Who best understands the task of describing and containing the evil empire of which Bulgaria is a loathsome instrument?

That issue is not the main reason why Mr. Reagan will win, but it is the main reason he should.

Washington Post Writers Group.

Two Editorial Endorsements for Reagan

A LOT of American newspapers began as the voices of special interest on an issue, a political party or even a specific politician. The rise of The Chicago Tribune, in fact, is tied to the cause of abolition, the formation of the Republican Party and the political career of Abraham Lincoln, in retrospect all good reasons for being born. But if we had to begin life today as an advocate for either Ronald Reagan and the Republicans or Walter Mondale and the Democrats, we'd be reluctant to leave the womb.

Both Mr. Reagan and Mr. Mondale, we suspect, are well-intentioned and honorable men. Their political styles are not ours. And their policies, both party and personal, are hard to champion. Their campaigns have left us with the feeling that we have a choice between Mr. Reagan asleep at the switch or Mr. Mondale groping wildly in the dark for it.

Unfortunately, the Americans must choose between them for president of the United States. So must we. And on balance we have no choice but to endorse the re-election of President Reagan.

We do so for these reasons: • Ronald Reagan's philosophy of what role government should or should not play in a true democracy will result in less government growth and less government intrusion into the lives of citizens than would Walter Mondale's.

• Walter Mondale's approach to the economy is directly in conflict with anti-inflationary government policies begun by Congress and the Federal Reserve Board in the final months of the Carter administration; these have reduced interest rates, increased real spendable income for most Americans and generally re-established the sense of confidence in the American economy. • Walter Mondale is committed to so many special interests, including the organized labor leaders, that he could not avoid a rob-Peter-pay-Paul administration that raises expectations without the resources for fulfillment.

• No matter what he says, Walter Mondale still acts like a wimp. He acted like one in 1980 when he eagerly became Jimmy Carter's hatchet man and attacked Senator Edward Kennedy for policies that Mondale himself had advocated for years. And he acted wimpishly during the Democratic primary campaign by trying to disassociate himself from some of the more popular policy decisions of the Carter administration.

• Representative Geraldine Ferraro is no more qualified for the awesome role of backup president than 400 or so other members of the House of Representatives, even the best qualified of whom might have a hard time stacking up with George Bush in knowledge and experience. Picking Representative Ferraro for the second spot on the ticket was a gesture toward a just cause — the equality of women in politics. The campaign has proven that this is her year to take a position at the forefront of Democratic politics, but not her year to become vice president.

But no matter where you stand politically, it is hard to support Mr. Reagan's re-election without reservations. These are ours:

• Mr. Reagan's refusal to accept the linkage between the federal deficit and economic instability is threatening to bankrupt America and severely damage the free world economy.

• His ignorance about the Soviet Union and his air-headed rhetoric on the issues of foreign policy and arms control have reached the limit of tolerance and have become an embarrassment to America and a danger to world peace.

• His performance in the debates suggests that he is indeed a cue-card president who must rely heavily on the advice of his staff and cabinet for a successful second term.

• The Reagan administration has such a sorry record of lack of regard for press freedom, including going to war in secret, that an endorsement of this kind is a bitter pill for a newspaper. When weighed one against the other, the reasons and reservations add up to another four years of consistent direction as the better hope for America. No president since Dwight Eisenhower has made it through two complete terms. In recent years America has been badly hurt by a lack of stability in foreign and economic policy.

The main question in this campaign has been whether the country is better off than it was four years ago when the Reagan-Bush administration replaced that of Carter-Mondale. Obviously some people, including many residents of Chicago and some important segments of the Midwest economy, are not better off. But laying the blame at the feet of Ronald Reagan is unfair. People were hungry in our city, the steel industry was

dying and farmers were deep in debt long before he ever got into the White House.

As a country, however, America is better off. It has more confidence, more energy, more respect, more resolve to succeed.

Mr. Reagan should make some corrections in his course during the next term, but to veer from it at this juncture would require a compelling reason. We do not find it in the Mondale-Ferraro ticket or the Democratic Party platform.

—THE CHICAGO TRIBUNE

IF the polls are correct, most people like Ronald Reagan but disagree with many of his positions. Many voters are more in tune with Walter Mondale than with Mr. Reagan on the issues of abortion, the nuclear freeze, the budget deficit, Social Security, Medicare and the Equal Rights Amendment. Yet the president is popular as no other president has been since Franklin D. Roosevelt. And Mr. Mondale may lose as no other presidential candidate has — ever.

Which leads some observers to say that this is one of the most perplexing presidential elections in memory. It really isn't so.

Ronald Reagan may not be entirely responsible for the economic recovery that began to take place in the last two years of his first term; he may not be primarily responsible for the resurgence of national spirit and for the rebirth of the can-do attitude that historically has distinguished Americans from most other people. But Mr. Reagan was just a bystander while America reinvigorated itself — after 16 years of listless senselessness by the Vietnam War, Watergate, the Arab oil embargo and the hostage crisis in Iran. He was the principal cheerleader, the preacher who used the bully pulpit to best advantage, the politician who projected his amiable personality and the actor whose command of the medium of television was the envy of his rivals.

Leadership is cast in many molds, and Mr. Reagan's mold does not please those who like their president to be especially knowledgeable about issues. What Mr. Reagan lacks in intellectual power, however, he makes up in intuitive strength, determination and charisma.

Like him or not, one has to admire his ability to bring about a major change in the national political dialogue. When Congress resisted or hesitated he went directly to the people. When the nation experienced the worst recession since the Depression, he appealed for patience. Americans, usually an impatient people, listened this time, even as many of them suffered.

In short, it felt comforting to have in the White House someone with an aura of leadership, even if the equality of women in politics, the campaign has proven that this is her year to take a position at the forefront of Democratic politics, but not her year to become vice president.

Why, then, does The Courant endorse Ronald Reagan only reluctantly?

Not because of his economic policies, which have worked, at least until now. But there's more to national life than economics. This newspaper stands for certain ideals, among them the preservation of the environment, compassion for the disadvantaged, insistence on civil rights for all citizens, respect for freedom of information, restoration of a semblance of balance in the budget and separation of church and state.

Mr. Reagan's record has been anemic on these issues. The argument has been made that the president may move the pendulum closer to the center in a second term because as a lame duck his political need for the right-wing constituency would be diminished. We certainly hope so, and if he doesn't we shall continue fighting him on issues ranging from school prayer to civil rights and arms control. This is not a fundamentalist nation and it would be tragic if Mr. Reagan squanders his effective leadership abilities by expending energy for causes that we believe ill serve a polyglot America.

Still, the republic is healthy enough to countermand an eight-year assault from the right, as it survived a decade of assaults from the left.

What disturbs us most about the Reagan presidency is its sturdiness in dealing with the overriding issue of our time — the maintenance of peace in a nuclear world.

Most Americans are economically better off today than they were four years ago. But are they

more secure from the threat of nuclear war? We don't believe so. There is apprehension at the grass roots about the rearmament taking place. The Pentagon's buying spree defies imagination: A doubling of military authorizations in four years; requested authorizations totaling more than \$1.3 trillion in the next few years.

All the extravagance might be excused had there been something hopeful to show for it. But a new cold war has dawned. The two superpowers have become increasingly belligerent. The absence of dialogue between the top leaders of Moscow and Washington is difficult to defend. The attitude in the White House is visceral.

It's a highly dangerous condition that must be changed in a second term.

The arms question ties in with other foreign policy questions. This administration's record abroad is as weak as its economic record at home is strong. Jimmy Carter, who was perceived to be impotent in dealing with Iran and Afghanistan, scored points with the Camp David agreement, the Panama Canal treaties and SALT-2.

Mr. Reagan's Middle East and Central American policies have yielded bitter fruit. His conciliatory approach toward the practitioners of racism in South Africa has not produced the predicted reforms. West Europeans are increasingly edgy about becoming the main theater for nuclear deployments. The Law of the Sea Treaty, negotiated by several administrations and signed by an overwhelming majority of governments, was rejected by this administration.

But there is one operation that has earned Mr. Reagan plaudits. The toppling, by U.S. invasion, of a leftist government in tiny Grenada.

The most swaying reason for endorsing Mr. Reagan is Walter Mondale.

This newspaper endorsed Gary Hart in Connecticut's primary because he represented the antidote that would have best counteracted those aspects of Reaganism that are hard to stomach. Instead, the Democrats chose a standard-bearer associated with tried and tired ideas. Mr. Mondale's candidacy poses insurmountable problems, the least of which is his unavoidable connection with the Carter presidency. Many of the economic measures Mr. Mondale advocated all his political life proved unworkable.

It's as if the Democrats had a death wish when they nominated Mr. Mondale in July. Perception of strength in a candidate is critically important. Democrats didn't need a seer to tell them that their candidate would be perceived as Mr. Mondale, the man who simply has been incapable of impressing most Americans that he would measure up to the job of president.

To his credit, Mr. Mondale has appealed to the nation's good instincts on social and environmental issues, those issues on which Mr. Reagan has been weak. His pronouncements on arms control have been mostly on the mark. But he has not been persuasive; his campaign has been spiritless. It has lacked the conviction necessary for mounting a remotely serious challenge posed by the true believers on the other side.

If there is a case for supporting Mr. Mondale it would be based on the hope that he has been converted to the school of ideas in which Democrats like Mr. Hart, John Glenn, Bill Bradley, Christopher Dodd and Richard Gephardt enrolled. That hope, however, goes against everything Mr. Mondale has said and done in his many years in public life.

Mr. Reagan scares us on foreign policy. So does Mr. Mondale, who has been anxious to show that he would not be soft in dealing with foreign governments. He, it should be remembered, was weaned in the alma mater of Lyndon Johnson, and, yes, John Kennedy (when the brothers Walt and Eugene Rostow were at their most influential). They were the "domestic" liberals whose hard-line foreign policy brought the world to a flash point.

Once again, this is a reluctant choice. Mr. Reagan is marginally more palatable than Mr. Mondale, sad to say.

Had the decision rested solely on the fundamentalist aspects of Mr. Reagan's agenda, The Courant would not have preferred the incumbent. But America is better off today not just in its burgeoning entrepreneurial activity. Mr. Reagan, for all his faults, has become the symbol of hope. Mr. Mondale, for all his good intentions, is the symbol of yesterday's politician. That is what tips the balance in favor of the incumbent.

—THE HARTFORD (CONNECTICUT) COURANT

Europe Now in Therapy, Gradually on the Mend

By Michael Emerson

This is the second of two articles.

BRUSSELS — The European response to the dollar's gyrations has been persistence in more convergent monetary policies within Europe. Central to this effort has been the commitment to pegged exchange rates in the European Monetary System. In fact the fifth birthday of the EMS passed last March in an atmosphere of striking tranquility.

Each year markets appear to have been persuaded that monetary convergence has indeed become a deeper objective of participating countries. Evidence for this is seen not only in domestic monetary policies. (Note France's money supply objective of 54-60 percent for 1984, alongside 4-to-6 percent for West Germany and 4-to-8 percent for Britain.) Complementary measures are seen in budgetary and incomes policies. Excessive budget deficits are being strictly limited and excessive wage rigidity reformed in several countries. (Note de-indexation or index-limitation reforms in Belgium, Denmark, France, the Netherlands and Italy.)

And the Community has been encouraging the development of the ECU for use in private international contracts and financial markets, to be built up as a partial substitute for the presently dominant dollar in European international money markets. The private sector is taking to the ECU with considerable enthusiasm. Even Swiss banks have started issuing ECU bonds. The secondary market in ECU bonds is estimated to have reached 1 billion ECUs per day. A clearing system for private bank settlements in ECUs is being set up.

Meanwhile, the employment problem in Europe remains intractable. For some time now the rapid growth of employment in the United States (1.4 percent per annum over the last 10 years) compared to an actual decline in the EC (minus 0.3 percent per annum) has been intriguing economists, especially since the average growth rates of the two economies

were until recently nearly the same. Initially the focus was on the apparent collapse of labor productivity growth in America. More recently the phenomenal employment growth there, alongside continued job losses in Europe, has turned the spotlight as much on the reasons for the lack of job creation in Europe.

Current research by the EC Commission confirms what many economists had been suspecting. There were two further complementary stories behind these employment trends. • During the decade since the 1973 oil shock European enterprises have been heavily increasing the amount of capital per person employed (3 percent per annum), whereas in the United States this increase in capital intensity has been far less (0.7 percent per annum). While labor productivity had been continuing to grow faster in Europe than in the United States, this was an illusory indicator of efficiency in resource utilization, since so much more capital was being used at the same time.

• No doubt heavily influencing these symptomatic differences in capital and labor use, real labor costs were increasing in Europe much faster than in the United States, whereas the rate of return on capital employed was also diverging (falling in Europe, rising in United States). Overall, the relative cost of labor in relation to the rate of return on capital diverged even more dramatically between the two economies (rising 2.4 percent per year in Europe as against 0.5 percent in the United States). Over a 10-year period — and in fact it was even longer — these relative trends have built up cumulatively to a massive difference in the incentives to employ.

Theory has been catching up with the facts. Economists are giving increasing attention to the subdivision of unemployment between "classical" (labor that has priced itself out of the market) and "Keynesian" (where the general level of demand is too low). The difficult task now is to work out objectively the magnitude of the adjustment required in the relative rewards to labor and capital, and the extent of regulatory reform (for example of over-rigid hiring and firing rules) so as to achieve for the years ahead a much greater employment propensity in Europe.

Perceptions of the problem do seem to be changing. Some action is evident, for example the determination in EC countries to break taboos over wage indexation practices that long inhibited flexibility in real labor costs. But much remains to be done. Overall, a picture emerges of a European economy gradually on the mend, following an economic strategy with three principal components: a historic reversal of the growth of public expenditure and the resulting burdens; intensification of convergence of monetary policies on stability; re-examination of labor market conventions and regulations with a view to increasing the propensity of enterprises to employ.

The short-run results of these policies are not dramatic, but the therapies being administered are of a fundamental and long-run character.

The writer is director for macroeconomic analysis at the EC Commission Directorate-General for Economic and Financial Affairs. This comment has been adapted from an article in Europe 84, magazine of the EC information office in London.

LETTER

Other Innocent Victims

In response to the report "Vietnam Napalm Victim Given Hope of Health" (Oct. 23):

With utmost sympathy for the suffering which Miss Phan Thi Kim Phuc still endures from burns, it should be made clear that the bombing attack on the village of Trang Bang was in fact a terrible error.

Communist forces were engaged in violent combat with South Vietnamese troops in and around Trang Bang. In a desperate situation, the South Vietnamese defenders called in close air support to try to beat off the attack. A South Vietnamese plane (not the "rumors of U.S. planes" mentioned in the report), piloted by a South Vietnamese officer, unspooled South Vietnamese positions.

Most civilians in Trang Bang were family members of the defending South Vietnamese troops. A number of South Vietnamese soldiers were killed in that tragic bombing error. The Pulitzer Prize winner of this photograph, Ky Nham of The Associated Press, gave a press conference hours after the North Vietnamese victory of April 30, 1975. Many newsmen were surprised to learn that he had been an official in the Communist underground for years.

It is regrettable that Hanoi seeks sympathy for itself through the suffering of a young lady. Seldom are we told the victims of Hanoi's aggression, be it the suffering inflicted by incendiary weapons or the crush and blast effects of high explosives.

One such atrocity was the massacre of 252 Montagnards in Dak Son in Phuoc Long province in December 1967. Some 600 Communist troops, armed with an estimated 60 flamethrowers, attacked the hamlet at midnight. Of the almost 50 wounded survivors, 33 had severe burns. Bad burns also resulted from the explosion of gas tanks when buses and cars hit Communist-planted mines.

Contributions to an educational trust fund for Kim Phuc can be made through the Southeast Asia Review. I also suggest that we call upon Hanoi to withdraw its troops from Cambodia and Laos, where other innocent victims of war are suffering.

HARRY W. HAYES
Southeast Asia Review,
General

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A grieving Pole prays at the Reverend Jerzy Popieluszko's church in Warsaw after learning of the priest's death.

Polish Communists Condemn Priest's Killing, 'Act of Terror'

United Press International
WARSAW — Poland's Communist Party on Wednesday sharply condemned the death of the Reverend Jerzy Popieluszko and called on all Interior Ministry personnel to help track down those responsible for "this act of terror."

The body of the priest, an outspoken supporter of the outlawed trade union Solidarity, was found Tuesday in a reservoir near the city of Wroclaw in northern Poland. Father Popieluszko, 37, had been missing for 11 days.

In a resolution published Wednesday, the Communist Party organization at the Interior Ministry said that the investigation under way would prove "what people inspired this act of terror."

"The district party committee in the Interior Ministry calls on all the functionaries and civil employees of the ministry to get actively involved in discovering possible inspirers of this provocative act," the document said.

It also expressed full support of Interior Minister Czeslaw Kiszczak's pledge to punish those responsible and repeated government statements that the crime was aimed at fostering unrest and stirring trouble for the government at a time when domestic conditions seemed to be improving and the West had ended its isolation of Warsaw.

Three Interior Ministry security agents, identified as Captain Grzegorz Piotrowski and Lieutenants Waldemar Chmielewski and Leszek Pekala, were arrested last week for Father Popieluszko's abduction on Oct. 19 and were said to have confessed to the murder. Captain Piotrowski was reported Tuesday

to have recanted his confession, however.

The three men have been expelled from the Communist Party. In Rome, Pope John Paul II said Wednesday that Father Popieluszko's killing "has shaken the opinion and confidence of men" everywhere.

"May the moral eloquence of this death be in no way obscured," the Polish-born pope said in an apparent plea to supporters of the Solidarity labor movement not to react with violence.

Quoting a 1966 sermon by the Cardinal Stefan Wyszynski, the Polish primate who died in 1981, the pope said: "The one who, like Christ, gives his heart and even his own life for his brothers already has won today even if he lies trampled on the ground."

"The victor lives even under the sword," he added.

Across Poland, citizens reacted

with grief, outrage and prayers to news that the priest's body had been found. They flocked to Roman Catholic churches, where special Masses were held in Father Popieluszko's memory.

Poles also heeded calls for calm by the church and such leaders as Lech Walesa, one of the founders of Solidarity.

At Father Popieluszko's St. Stanislaw Kosika Church in northern Warsaw, continuous prayers were recited and thousands of memorial candles flickered around the church fence, already decked with flowers, banners and portraits of the priest.

Cardinal Jozef Glemp, the country's Catholic leader, called on "all compatriots in Poland and abroad to join in ardent prayers" in the priest's memory.

"We shall also pray for the grace of redemption for the murderers," he said, adding that the priest's

death should serve to help the church in its work "toward peace and toward respect of individual and social rights in our motherland."

50 Deaths Reported

Lisa Wolfe of The New York Times reported from New York:

The death of Father Popieluszko follows more than 50 deaths caused by the police or by "unknown perpetrators" in mysterious circumstances over the last three years, according to a human rights monitoring group.

In a study made public Thursday in New York, the organization, Helsinki Watch, asserted that about 55 suspicious deaths, most of them of Solidarity activists or leaders, have occurred since martial law was declared in December 1981.

Thirteen of the deaths occurred in the year after martial law was lifted in July 1983, according to the

group, which was set up in 1979 to monitor human rights under the Helsinki accords.

Another such death was reported Friday, and the death of Father Popieluszko raises the number to 15.

The Committee in Support of Solidarity, a New York-based group that supports the banned union, corroborated the findings.

The group based its assertions on information gathered by a clandestine network of about 100 volunteers in Poland. It received the latest report of a death Friday: that of Boguslaw Walczak, 57, a construction worker from Wroclaw who disappeared on his way to work March 8 and was last seen alive in a police station.

Eight days after his disappearance, according to information received by Helsinki Watch, his wife was called by the police to identify his body, which was battered.

Most of these disappearances and deaths, unlike that of Father Popieluszko, have not received much publicity.

"The situation with Reverend Popieluszko is unique," said Jeri Laber, the executive director of Helsinki Watch. "But kidnapping and deaths have become a fact in Poland since the imposition of martial law."

"General Jaruzelski is very concerned with his public image," Mrs. Laber said, referring to the Polish leader. Wojciech Jaruzelski. "The case of the priest is the first time the government is dissociating itself from this kind of death."

Father Popieluszko was abducted in the northern city of Torun, where another death documented by the group occurred in August 1982.

According to a report in a widely distributed underground newspaper, Solidarity activists were kidnapped and beaten in Torun last spring.

Throughout the 16 months of Solidarity's above-ground existence, the security forces in Torun and other areas in the region were regarded as centers of hard-line resistance to the liberalization drive brought about by the union.

21% Raise Ends Icelandic Strike In Public Sector

Reuters

REYKJAVIK — Schools and ports reopened and Iceland's radio was back on the air after the government granted a 21-percent wage increase to end a monthlong strike by the island's 17,000 public sector workers.

The strike had cut most of Iceland's links with the outside world and threatened essential supplies. Finance Minister Albert Gudmunsson said that the new agreement, reached Tuesday night, was bound to fuel inflation.

"It is quite clear that this agreement will lead to new inflation in Iceland," he said, adding that he had no idea where he would find the money to pay for the deal. It will cost the government 400 million kronur (\$11.9 million) a year.

One of the proudest boasts of the rightist coalition government was that it had cut Iceland's inflation to 15 percent from the annual rate of 150 percent it inherited on coming to power in May last year.

Agca Account of Attack Deals With 2d Gunman

United Press International

ROME — A detailed description of the 1981 assassination attempt on Pope John Paul II in the words of the convicted assailant, Mehmet Ali Agca, was included in the text of the indictment made public Wednesday.

That description led investigators to conclude that a second gunman had fired at the pope, officials said.

Judge Ilario Martella formally made the text of his indictment of five Turks and three Bulgarians, which he announced Friday, available to defense lawyers Wednesday.

Mr. Martella, during his press conference Friday, revealed that his 1,243-page document contained information concluding that Oral Celik, a Turkish friend of Mr. Agca's who is still at large, fired one of the shots that hit the pope.

The text contained a description by Mr. Agca of what happened at the moment the pope was shot and wounded in St. Peter's Square in Rome.

"The agreement was that the attack should be put into effect during the second tour around the barriers of the pope's vehicle, as in fact it did," Mr. Agca was quoted as saying.

"Before I fired, in addition to making eye contact with Oral Celik — in order to indicate to each other that everything was going well and

there were no difficulties — I pretended to take photographs with a camera I had in my possession," Mr. Agca said.

"Just as the pope was making his second tour, as he came to where I was standing, and after Celik and I exchanged a final glance of understanding and he had assured me with a nod that everything was in order, I hastily got rid of the camera by throwing it on the ground and at the same time pulled the pistol from the left side of my trouser belt and fired two or three shots at the pope."

"I could not continue to fire more shots because some people standing beside me who realized what I was doing pushed me on the arm that was holding the pistol. It was my right arm."

"I cannot rule out that Oral Celik was also able to fire at the pope," Mr. Agca said. "It was prearranged, in fact, that in the event I was not able to complete the attack, or if I found it impossible to fire at least five shots, then Oral Celik would also shoot."

The two Italian lawyers appointed to defend Sergei I. Antonov, one of the Bulgarians indicted by Mr. Martella, received a copy of the indictment. Two U.S. lawyers, who are representing two American women wounded by a stray bullet during the attack on the pope, were also supplied with a copy.

Italian Minister Survives Votes to Force Him Out

United Press International

ROME — Prime Minister Bettino Craxi's government defeated a Communist-led attempt to force the resignation of Foreign Minister Giulio Andreotti because of alleged links with a Sicilian financier, Michele Sindona.

The Senate rejected late Tuesday three motions introduced by the neo-fascist Italian Social Movement, the Communists and the

Communist-affiliated Independent Left group demanding Mr. Andreotti's resignation.

The voting on the three motions was 258-15, 177-98 and 174-95.

Instead, the upper house approved a motion by the five parties of the coalition government giving qualified support to Mr. Andreotti, a veteran Christian Democrat and former prime minister.

The voting brought an end to two days of Communist maneuvering in the Senate designed to unseat Mr. Andreotti for alleged irregular dealings with Mr. Sindona in the early 1970s when Mr. Andreotti was prime minister.

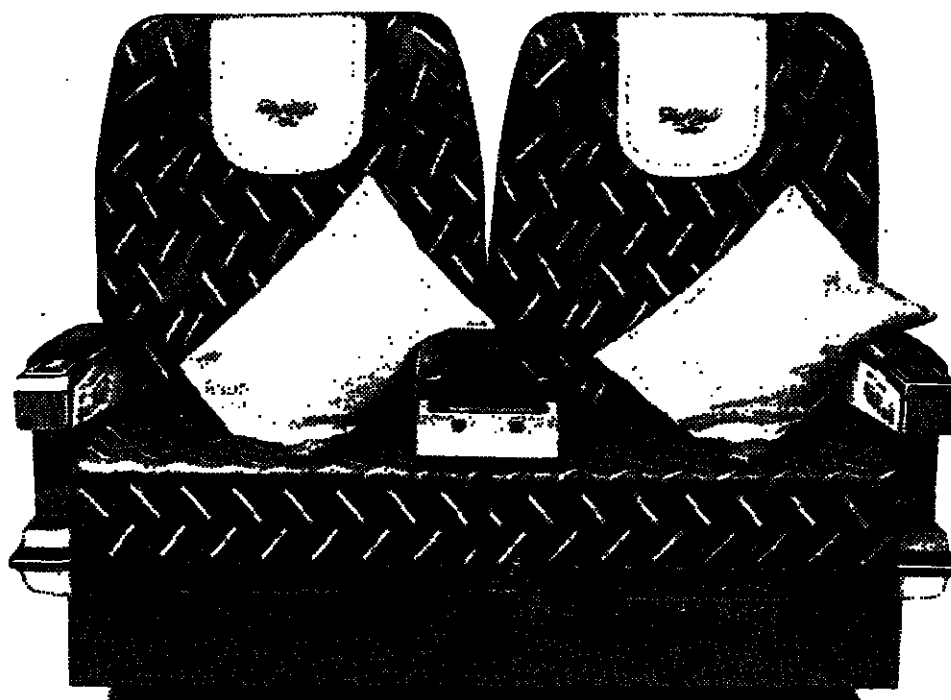
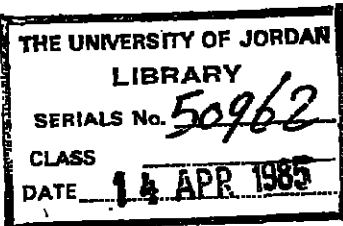
Most senators from government groupings kept to the party line in the voting, although a leading member of Mr. Craxi's Socialists, Norberto Bobbio, supported the Communist motion.

In debate before the votes, Mr. Craxi said he rejected the charges against Mr. Andreotti because they were "without convincing and well-founded motivation."

Mr. Sindona's Banca Privata Italiana failed with about \$300 million in bad debts in late 1974. The former tax lawyer fled to the United States only to be imprisoned for 25 years by a New York court in 1980 on charges involving the collapse of his American bank, the Franklin National.

On Sept. 25, Mr. Sindona was extradited to Italy on charges of ordering a murder and fraudulent bankruptcy. He is to stand trial Dec. 3 in Milan for fraud in connection with the collapse of the Banca Privata.

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SCIENCE

IN BRIEF

Researchers Study Hair-Raising Rats

DUNDEE, Scotland (NYT) — Researchers at the University of Dundee suggest the possibility that a harvest of hair cells grown in a laboratory could be implanted on bald scalps. They have been testing the procedure on rats.

Their approach is based on the finding that certain types of cells in the skin of adult rats play a crucial role in stimulating the follicle cells from which hairs grow. When these cells, called papillae, are implanted into the base of a follicle that otherwise would not produce a hair, the follicle becomes productive.

The problem so far is in mass-producing the papillae in laboratory culture. After four cell divisions they seem to lose their ability to stimulate hair growth.

Nervous System Linked to Arthritis

LOS ANGELES (AP) — A chemical found in the nervous system appears to aggravate arthritis damage in ankles, wrists and other joints, says a recent study that could spur development of new drugs to combat the crippling disease.

Scientists don't know what causes arthritis, but they believe an abnormality of the body's disease-fighting immune system may be responsible. Some have suspected the nervous system also plays a role — a suspicion supported by the new study, published in the journal *Science*.

Dr. Frederic McDuffie of the Arthritis Foundation said the study provides "some marginal evidence that the nervous system may contribute (to arthritis), but a lot more work is needed to establish that it's really so."

Risk to Kidneys in Silicone Injections

BOSTON (UPI) — People who have had sex-change operations with large or numerous silicone injections risk developing kidney stones and kidney failure, according to a Loyola University doctor.

Dr. Gregory A. Kozny, a professor of medicine at Loyola University's Stritch School of Medicine in Maywood, Illinois, reported the case of one such patient in the *New England Journal of Medicine*. He said he had had reports of others suffering from similar problems.

He said that silicone causes internal scarring and inflammation that sometimes sets off a chain reaction leading to higher-than-normal calcium levels in the blood. Elevated calcium levels — hypercalcemia — can cause kidney stones and kidney failure.

Saving Hearts Longer for Transplants

SAN FRANCISCO (UPI) — Scientists have developed a technique shown in tests to keep a donor heart preserved five times longer than now possible, which they say may ease the transplant patient's restricted access to the blood pump.

The method may prolong preservation from the current four to five hours to up to 24 hours, enabling doctors to transport the muscle in good condition to distant locations. Dr. John Codd reported Monday at the 70th annual clinical congress of the American College of Surgeons.

About 100,000 Americans suffer chronic, congestive heart disease annually and need transplants to stay alive. Only 1,500 to 2,000 hearts are available each year.

Eggs Have Iron, But Not for Humans

COLUMBIA, Missouri (NYT) — Eggs have long been recognized as a good dietary source of iron, but researchers at the University of Missouri-Columbia say that the human body is not able to use the iron in eggs. This is because the iron, most of which is found in the egg yolk, is tightly bound to a protein called phosvitin, which prevents it from being absorbed by the human digestive tract.

Dr. Dennis Gordon, associate professor of food science and nutrition at the university, said that on the positive side, by slowing iron absorption, eggs permit better use by the human body of several essential trace minerals, including copper, zinc and manganese.

Emptying Mental Hospitals: A 'Quick Fix' That Backfired

By Richard D. Lyons
New York Times Service

NEW YORK — The policy that led to the release of most of the mentally ill patients in the United States from the hospital to the community is now widely regarded as a major failure. Sweeping critiques of the policy, notably the recent report of the American Psychiatric Association, have spread the blame everywhere, faulting politicians, civil libertarian lawyers and psychiatrists.

But who, specifically, played some of the more important roles in the formation of this ill-fated policy? What motivated these influential people and what lessons are to be learned?

A detailed picture has emerged from a series of interviews and a review of public records, research reports and institutional recommendations. The picture is one of cost-conscious policy makers who were quick to buy optimistic projections that were, in some instances, buttressed by misinformation and by a willingness to suspend skepticism.

Many of the psychiatrists involved as practitioners and policy makers in the 1950s and 1960s said in the interviews that heavy responsibility lay on a sometimes neglected aspect of the problem: the overreliance on drugs to do the work of society.

The records show that the politicians were dogged by the image and financial problems posed by the state hospitals and that the scientific and medical establishment sold Congress and the state legislatures a quick fix that was bought sight unseen.

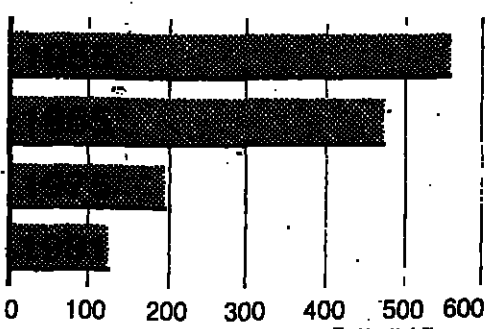
Dr. Robert H. Felix, who was then director of the National Institute of Mental Health and a major figure in the shift to community centers, says, "Many of those patients who left the state hospitals never should have done so. We psychiatrists saw too much of the old snake pit, saw too many people who shouldn't have been there and we overreacted."

Dr. John A. Talbot, president of the American Psychiatric Association, said, "The psychiatrists involved in the policy-making at that time certainly oversold community treatment, and our credibility today is probably damaged because of it."

He said the policies "were based partly on wishful thinking, partly on the enormousness of the problem and the lack of a silver bullet to resolve it, then as now."

The original policy changes were backed by scores of national professional and philanthropic organizations and several hundred people prominent in medicine, academia and politics. The belief then was wide-

Patient Decline in Mental Hospitals



The number of inpatients (in thousands) in state hospitals in the United States.

spread that the same scientific researchers who had conjured up antibiotics and vaccines during the outbreak of medical discovery in the '40s, '50s and '60s had also developed drugs to cure psychoses and thus revolutionize the treatment of the mentally ill.

Finally, there was a growing economic and political liability faced by state legislatures. Enormous amounts of tax revenues were being used to support the state mental hospitals, and the institutions themselves were increasingly thought of as "snake pits" or facilities that few people wanted.

One of the most influential groups in bringing about the new national policy was the Joint Commission on Mental Illness and Health, an independent body set up by Congress in 1955. One of its two surviving members, Dr. M. Brewster Smith, a University of California psychologist who served as vice president, said the commission took the direction it did because of "the sort of overselling that happens in almost every interchange between science and government."

Charles Schaffer, a New York advertising executive who served as secretary-treasurer of the group, said he had become disgusted with the advice presented by leading psychiatrists of that day.

"Tranquilizers became the panacea for the mentally ill," he said. "The state programs were buying them by the carload, sending the drugged patients back to the community and the psychiatrists never tried to stop this. Local mental health centers were going to be the

greatest thing going, but no one wanted to think it through."

Dr. Bertram S. Brown, a psychiatrist and federal official who was instrumental in shaping the community center legislation in 1963, agreed that Presidents Eisenhower, Kennedy and Johnson were to some extent misled by the mental health community and government bureaucrats.

"The bureaucrats-psychiatrists realized that there was political and financial overpromise," said Dr. Brown, then an executive of the National Institute of Mental Health and now president of Hahnemann University in Philadelphia. "Yes, the doctors were overpromising for the politicians."

Dr. Brown said he and the other architects of the community centers legislation believed that while there was a risk of homelessness, it would not happen if federal, state, local and private financial support was "sufficient" to do the job.

The legislation sought to create a nationwide network of locally based mental health centers which, rather than large state hospitals, would be the main source of treatment. The center concept was aided by federal funds for four and a half years, after which it was hoped that the states and local governments would assume responsibility.

"We knew that there were not enough resources in the community to do the whole job, so that some people would be in the streets facing society head on and questions would be raised about the necessity to send them back to the state hospitals," Dr. Brown said.

But, he continued, "It happened much faster than we foresaw." The discharge of mental patients was accelerated in the late 1960s and early 1970s in some states following court decisions that limited the commitment powers of state and local officials.

Dr. Brown insists, as do others who were involved in the congressional legislation to establish community mental health centers, that politicians and health experts were carrying out a public mandate to abolish the abominable conditions of insane asylums. He and others note — and their critics do not disagree — that their motives were not venal and that they were acting humanely.

IN RETROSPECT it does seem clear that questions were not asked that might have been asked. In the thousands of pages of testimony before congressional committees in the late 1950s and early 1960s, little doubt was expressed about the wisdom of de-

institutionalization. And the development of tranquilizing drugs was regarded as an unqualified "godsend," as one of the nation's leading psychiatrists, Dr. Francis J. Braceland, described it when he testified before a Senate subcommittee in 1963.

Dr. Braceland, a former president of the American Psychiatric Association who is a retired professor of psychiatry at Yale University, still maintains, however, that under the circumstances the widespread prescription of drugs for the mentally ill was and is a wise policy.

"We had no alternative to the use of drugs for schizophrenia and depression," Dr. Braceland said. "Before the introduction of drugs like Thorazine we never had drugs that worked. These are wonderful drugs and they kept a lot of people out of the hospitals."

A study in Missouri, which compared a group of 412 patients in two intensive treatment centers with patients admitted to five mental hospitals, showed that the average stay for patients in the large hospitals was 237 days longer than for similarly diagnosed patients at the treatment centers.

But Dr. George A. Ulett of St. Louis, the psychiatrist who directed the study as head of Missouri's Division of Mental Diseases, now says the numbers cited, though correct, were misinterpreted. "We did have dramatic numbers, but the initial success of the community centers in Missouri hinged on the large numbers of psychiatrists and support personnel who staffed the centers at that time," Dr. Ulett said.

The centers were two pilot projects that were given special staff and attention to demonstrate what could be accomplished, he said. By linking the community centers to large teaching hospitals in major cities and providing adequate funds for their maintenance it was possible to attract the quality of staff that all but guaranteed better results than the old state hospitals, he said.

"Unfortunately," he said, "over the years the budgets were progressively reduced, the professional staff were cut, and the program regressed to right back where it started."

Jack R. Ewalt, who directed the staff of the Joint Commission when it was founded in 1955, says now that he remains "a great believer in the use of drugs, but they are just another treatment, not a magic." "Drugs can help people get back to the community," he said, "but they have to have medical care, a place to live and someone to relate to. They can't just float around aimlessly."

In Zimbabwe, Violence, Intimidation and Revenge Creep Into New Areas

By Glenn Frankel
Washington Post Service

MABOENI, Zimbabwe — The charred shells of houses, huts and shops along a five-mile stretch of dirt road in this rural heart of Zimbabwe are evidence of the latest outbreak of political violence and intimidation in Zimbabwe.

The trouble here followed an increasingly familiar pattern. A local official of Prime Minister Robert Mugabe's governing political party was murdered on a Wednesday two weeks ago, allegedly by dissidents loyal to Mr. Mugabe's chief political rival, Joshua Nkomo.

The official's wife was also murdered and the couple's house burned to the ground.

The following Sunday, six busloads of young Mugabe supporters descended upon the area and took their revenge. When they were finished, Nkomo supporters say, four residents were dead and at least 64 houses, three stores and six cars had been burned.

"They knew just which houses to burn, the ones with officers of the party or the ones with people who were the most active," said Stephen Vuma, a businessman in the nearby city of Gweru who is an official of Mr. Nkomo's Zimbabwe African People's Union.

The violence was the worst in the central Midlands province since June, when at least 10 people died, and dozens of houses were burned in rioting by Mugabe followers

provoked by assassinations by armed dissidents.

The recent violence provided further evidence that the cycle of attack and counterattack once confined to the southern Matabeleland region has spread northward into other parts of Zimbabwe.

This comes at a time when Western diplomats had hoped tension in Africa's youngest nation was lessening.

Mr. Mugabe's government has publicly appeared to ease its grip on political dissent as a prelude to national elections planned for early next year.

Mr. Nkomo's party, which has disowned the dissidents, was allowed to hold a national congress in Harare two weeks ago. The opposition political leader, Abel Muzorewa, released from detention two months ago, has been holding political rallies in major cities.

Matabeleland is Mr. Nkomo's political stronghold and an area from which there have been many reports of beatings, rapes and occasional killings of civilians by soldiers who conducted a counterinsurgency campaign earlier this year. Residents and mission workers say the number of violent inci-

dents has declined substantially, but they say they have not ceased altogether.

Catholic mission workers in the city of Bulawayo say they have received reports of rapes by soldiers in the Tlojolo area northwest of the city. A hospital nurse said she had treated victims of beatings who said they had been warned by soldiers not to seek medical treatment for their wounds.

"When you look from a distance, everything seems all right," said Luke Sibanda, a pastor at the mission. "But if you come closer and talk to the people, you find it is as bad as ever."

The government's anti-dissident campaign appears to have shifted from a military to a political phase. Civilians are periodically rounded up by the army and compelled to attend political meetings conducted by leaders of Mr. Mugabe's governing Zimbabwe African National Union. Support for Mr. Nkomo's party has been forced underground and almost everyone appears to have purchased membership cards in the Mugabe party for personal safety.

The government believes it has won the loyalty of a majority of Matabeleland residents, according

to Callistus Ndelom, minister of mines, a former official in Mr. Nkomo's party who defected this year to Mr. Mugabe's National Union.

But many in the area say practices such as forced rallies and membership sign-ups have caused popular resentment and may backfire at election time, provided people are given the opportunity to vote freely and without fear of reprisal.

For many here, that appears an unlikely prospect, despite government promises. Residents recall local council elections a year ago in Tlojolo, where two ballot boxes were used, one for the National Union party, one for the People's Union party.

Voters were forced to line up in front of the box of their choice in front of armed soldiers. The National Union candidates not unexpectedly received the vast majority of votes in an area that previously had been overwhelmingly pro-People's Union.

Two foreign reporters who attempted to monitor a similar council election recently in the lower Gweru communal area were ordered to leave by the local police superintendent, who refused to

give his name. They were told by Joram Mudzingwa, the assistant police commissioner, that reporters must have written permission from police headquarters in Harare to travel there.

At Wilson's Church in a western suburb of Bulawayo, a half-dozen men who had fled their homes last week after the burnings in Mabeeni described what they had seen. They said their assailants were members of the National Union youth brigade who rampaged through the village, beating People's Union supporters and making torches out of straw ripped from the thatched roofs of huts.

The violence had tribal overtones, according to these villagers, who said the National Union youths spared Shona speakers loyal to Mr. Mugabe but attacked Ndebeles in the village, which traditionally has been home to both groups.

They also said the rioters were urged on by Benson Ndemera, the Midlands governor, who was in the village to attend the funeral of the murdered National Union official and his wife.

Mr. Ndemera was out of town and not available for comment, according to his secretary.

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Nakasone Appoints Tanaka Backers to Cabinet

The Associated Press

TOKYO — Prime Minister Yasuhiro Nakasone appointed his new government on Wednesday, leaving in place top economic and foreign affairs ministers while giving other important cabinet posts to followers of Kakuei Tanaka, the former prime minister who was convicted of having taken bribes.

Mr. Nakasone's announced his cabinet only hours after his ruling Liberal Democratic Party re-elected him to a second two-year term as party president. The former cabinet, following custom, resigned.

Mr. Nakasone, 66, overcame bitter debate within the party about

his leadership and ties to Mr. Tanaka to win a second term. The conservative Liberal Democratic Party has held power since 1955 and its president becomes prime minister because of the party's majority in the Diet, or parliament.

The new government, to be installed by Emperor Hirohito on Thursday, included the first woman cabinet minister in 22 years. She is Shigeru Ishimoto, who heads the Environment Agency.

Shintaro Abe, one of Mr. Nakasone's rivals for the party leadership, was retained as foreign minister, while Noboru Takeshita, overseer of Japan's program to

open its financial markets, remained as finance minister. Toshio Komoto, another rival, moved from the Economic Planning Agency to become a minister without portfolio, while the International Trade and Industry Ministry went to Keijiro Murata.

Mr. Nakasone gave out party and cabinet posts to all five major factions of the party.

The prime minister scores high in popularity polls and has cemented Japan's ties with the United States and other Western democracies but has a fragile hold on power because his faction is only the party's fourth largest.

He has managed to stay in office because of the support of the largest faction, headed by Mr. Tanaka, who is appealing his conviction for taking bribes to promote the sale of Lockheed Corp. aircraft while in office between 1972 and 1974.

The heads of other factions, including two former prime ministers, Takeo Fukuda and Zensiro Suzuki, have been strongly critical of the Nakasone-Tanaka alliance. They reportedly tried to form a coalition with opposition parties and to replace Mr. Nakasone with Susumu Nakai, who remained as Liberal Democratic Party vice president.

Threat of Nuclear Proliferation Mounts, Study Says

By Fred Hiatt
Washington Post Service

WASHINGTON — Several nations that do not possess nuclear weapons "look important steps" last year toward acquiring the ability to build them, according to a report by the Carnegie Endowment for International Peace.

The report, issued Tuesday, said Pakistan "may have acquired the capability to manufacture nuclear arms" during the year, which it says could have grave consequences for regional stability. India, which detonated a nuclear "device" in 1974, is more likely to resume its testing program because of Pakistan's progress, the report said.

A similar rivalry between Argentina and Brazil also became more intense in the nuclear field last year, the report said, although neither nation is as far along as India or Pakistan. Iraq and Libya also continued their efforts to acquire the bomb, according to the study.

The report was written by Leonard S.pector, a senior associate at the Carnegie Endowment who served as chief counsel to the Senate energy and nuclear proliferation subcommittee from 1978 to 1980.

"Nuclear proliferation involving these nations — many of which have fought repeated wars with bordering states and have highly unstable governments — presents a

host of new and unpredictable dangers to world peace," Mr. Spector concluded.

The report relies heavily on press accounts and does not appear to contain new disclosures of nuclear capability among what it calls "emerging nuclear weapons countries." Mr. Spector collected what he called "disturbing" evidence that several nations continue to seek at least the "ambiguous" level of being able to assemble nuclear weapons quickly if they desire.

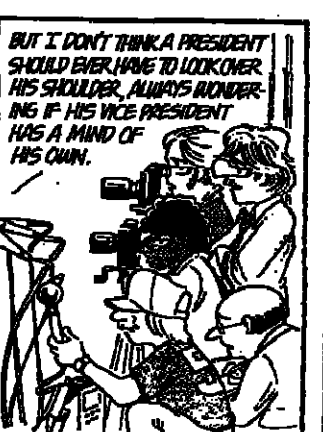
"And if more nations reach this level of nuclearization," Mr. Spector said, "there will be no guarantee that they will remain at this plateau or that still others will not

be encouraged to follow their example."

Five nations openly possess nuclear weapons: the United States, the Soviet Union, Britain, France and China. Israel, South Africa and India are the "ambiguous" nations that are thought to possess weapons or the technology and materials to make them.

Argentina, Brazil, Iraq and Libya are thought to be further along in acquiring nuclear capability but are pursuing efforts in that direction, according to Mr. Spector. South Korea and Taiwan, which used to be included on most lists of potential nuclear powers, do not appear to be pressing forward, he said.

DOONESBURY



NAMIBIA

A SPECIAL REPORT

NOVEMBER 1, 1984

Page 7

Independence:
Whose Terms
Will Prevail?

WINDHOEK — This year, successive initiatives have raised hopes of reaching an international agreement on the status of Namibia — the United Nations' name for an independent South-West Africa.

For one thing, South Africa has tried harder than ever to promote a moderate, internally based alternative to the likelihood of a Namibia ruled by SWAPO, the South-West African People's Organization.

The general feeling is that South Africa wants out of the territory, which it has held since 1915, when its troops invaded and ended 31 years of German colonial rule.

The war between South African troops and SWAPO's military wing, the People's Liberation Army of Namibia (PLAN), which began on August 26, 1966, is becoming increasingly unpopular in South Africa. A small, but vocal, anti-conscription lobby — whose members are drawn primarily from the white English-language university campuses and the more liberal churches — has added to the local and international demands for a withdrawal of South African troops from the territory and the granting of Namibian independence.

More importantly, South Africa's economy has been plunged into its worst crisis in 50 years as the dollar soared and the rand plummeted to lows along with the gold price. The 638 million rands in direct aid and the estimated one billion rands in war spending each year are large drains on the South African economy.

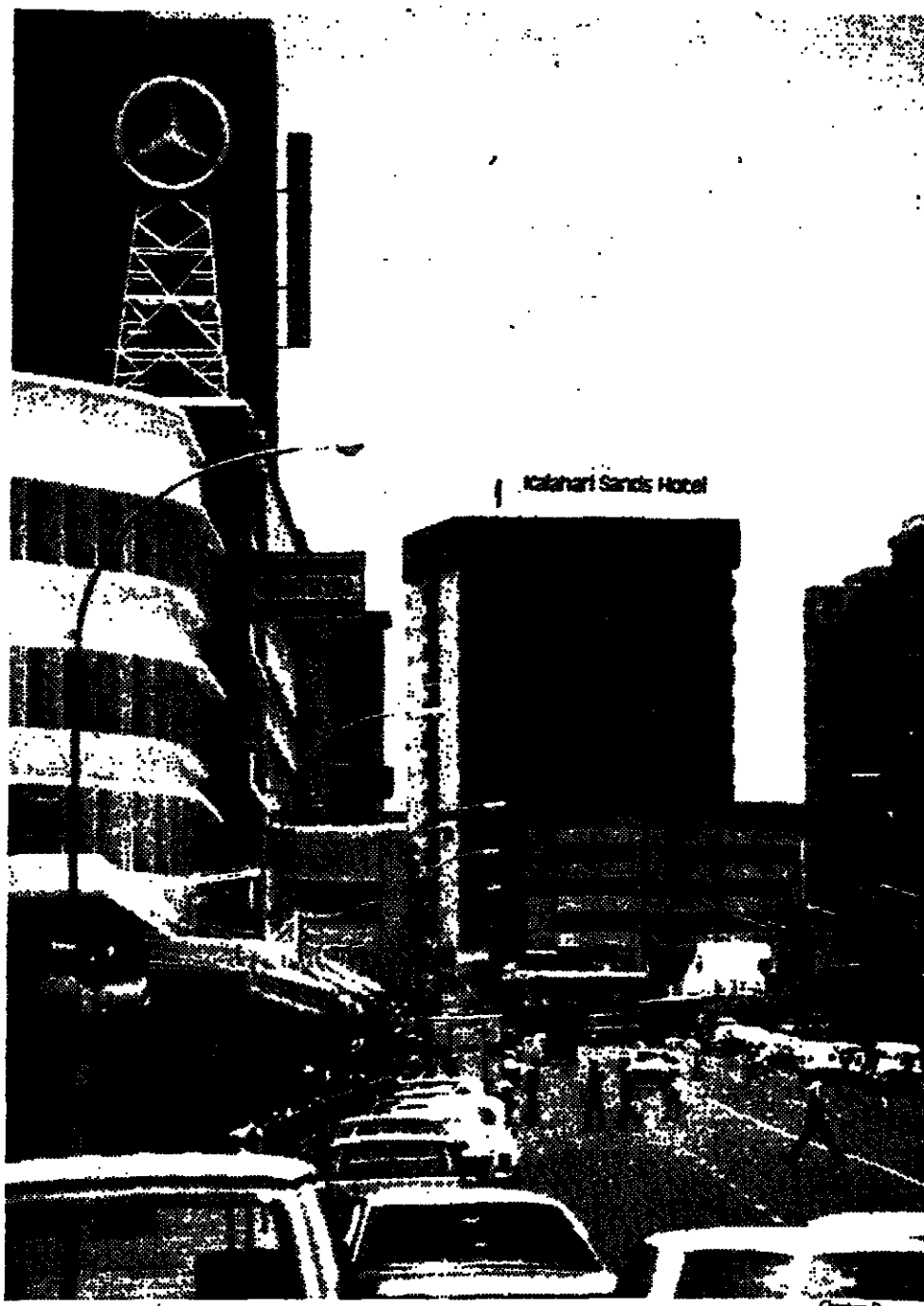
South Africa has pinned its hopes of promoting a moderate alternative to SWAPO on a varied grouping of internal political parties, the Multi-Party Conference. The grouping is unusual because of the widely differing political ideologies of the parties involved, and because even pro-South African analysts agree that SWAPO would sweep the boards in any post-settlement election.

The Multi-Party Conference, established on October 22, 1983, originally consisted of the Roman Catholic Namibia Christian Democratic Party; the 11 ethnically based parties in the moderate Democratic Turnhalle Alliance; the traditionalist Rehoboth Baster Liberation Front; the rightist, white National Party of South-West Africa; and three left-leaning parties — the South-West Africa National Union, the Damaraland Council and SWAPO-Democrats.

A week after the formation, the Namibia Christian Democratic Party withdrew "in disgust," labeling the conference a "farce" and "a delaying factor in independence." Shortly after, the Damaraland Council withdrew, doing an about face and joining a loose grouping of seven parties under the banner of the "SWAPO Patriotic Alliance" — a move emulated shortly afterward by the Namibia Christian Democratic Party.

South Africa, conscious of the political dangers it runs in giving overt support to any internal Namibian grouping, has nevertheless made it clear that it regards the Multi-Party Conference as being the "true representatives of the South-West African people." The Pretoria government says that it will negotiate only with the Multi-Party Conference, but

(Continued on Next Page)



Windhoek's main street.

Area's Economy Declines
As Negotiations Continue

By Tony Weaver

WINDHOEK — As the political future of Namibia, the United Nations' name for an independent South-West Africa, awaits an internationally agreed-upon resolution, the territory's economy has suffered from its uncertain status. Fluctuations in world mineral markets, war and drought have contributed to the region's economic decline during the last five years.

This week, one more attempt was being made to resolve contentious pre-independence issues concerning Namibia, a vast territory under South African administration, as government officials from South Africa, Angola, the United States and the territory met in the Cape Verde islands.

Roelof F. (Pik) Botha, South Africa's foreign minister, Chester A. Crocker, U.S. assistant secretary of state for African affairs, Willie Van Niekerk, the South African-appointed administrator-general of the territory, Brandt Fourie, the South African ambassador to the United States, and General Magnus Malan, South Africa's minister of defense, reportedly were talking with a delegation from Angola on the withdrawal of South African Defense Force troops from Angola and Namibia in concert with the withdrawal of Cuban troops from Angola.

In the last five years, the Namibian economy has shown a steady decline of approximately 2 percent a year, for a total decline of 10 percent in five years. (The decline in the past financial year in real terms has accelerated to 7 percent.)

The depressed state of world mineral markets, the seven-year drought and the constricting effects of the guerrilla war are some of the reasons behind this decline — as is the steady decline of the South African economy, to which the territory's economy is tightly linked.

Namibia imports up to 80 percent of its needs — mostly from South Africa — in both raw materials and finished products. Only 15 percent of locally produced goods are used internally, with the remaining 85 percent being exported, mainly to South African markets. Namibia also is tied to South Africa's monetary, fiscal, postal and telecommunications systems.

However, Namibia's chief economic problem is the rising cost of government. The country has a complicated and top-heavy system. An offspring of South Africa's apartheid system — but dealing with 11 defined ethnic groups — the government is divided into three levels, or "tiers."

The central government, until 1982 run by a cabinet of representatives from the country's 11 ethnic groups, now is in the hands of the administrator-general, Mr.

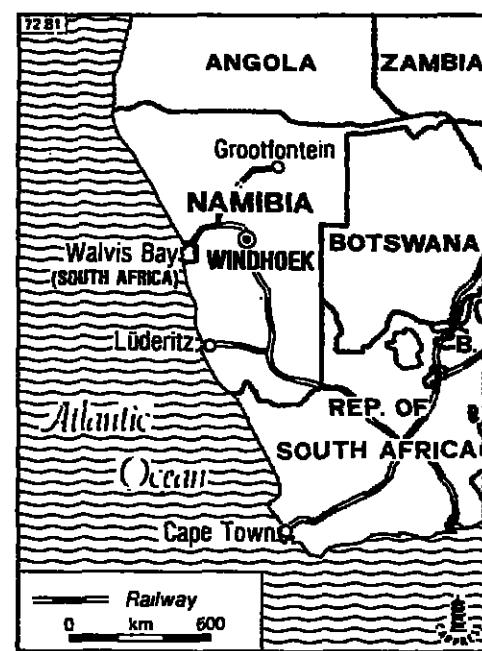
Van Niekerk. He was appointed by Pieter W. Botha, South Africa's president, and is responsible for central government functions, excluding foreign affairs and defense, which remain in the hands of Pretoria.

It is at the cumbersome, second-tier level — the ethnic authorities — where government spending appears excessive. With a population of just over one million, Namibia has 10 different ethnic governments, although there are 11 ethnic groups. The Khoisan, or Bushmen, declined to have their own government in 1980.

The recent Thirion Commission of Inquiry into the Ethnic Authorities reported widespread misuse of funds in government. In five years, state spending rose from 32.5 percent of gross domestic product to 62 percent.

A document drawn up late last year by the secretary of finance, Johan Jones, which was leaked to the press, described the ethnic authorities as "parasites feeding on the fruits of the land without any control or

(Continued on Page 9)



Washington's Long and Frustrating Exercise in Quiet Diplomacy

By Bernard Gwertzman

WASHINGTON — For nearly four years, the Reagan administration has been quietly, almost imperceptibly, seeking to bring about a diplomatic solution to the complicated problems of southern Africa.

Although there have been signs of progress toward an agreement, it also has been a frustrating experience for the handful of officials involved in trying to produce an accord among the various players in that region — South Africa, Angola, the Cubans, the Soviet Union, the black "front-line" states. It also has been an effort that has produced considerable criticism within the United States from Americans concerned over the racial situation in South Africa.

These Americans, including the prestigious Black Caucus in Congress and the leadership of the key Congressional committees, have voiced concern that, in its effort to win South Africa's support for a diplomatic agreement on indepen-

dence for Namibia, as South-West Africa will be called after independence, the administration was being too easy on the South African government.

The drawn-out character of the negotiations and the increased racial tensions within South Africa, have produced demands that the administration take tougher actions against Pretoria. The administration has argued that, however abhorrent apartheid may be, a successful accord on southern Africa could, in the long run, reduce tensions in the region and encourage moderation in South Africa. For that reason, the administration has resisted measures to punish South Africa, and has lobbied in Congress against bills barring investment there.

For the United States, the diplomatic effort has been waged by Chester A. Crocker, the assistant secretary of State for African affairs, and his deputy, Frank G. Wisner, a career Foreign Service officer whose last post was as ambassador to Zambia. Together, they have shuttled back and forth to southern Africa, and

to secret meetings in Paris and Geneva, at the United Nations, and even at the State Department, with African officials visiting in secret.

The effort, of course, did not begin with the Reagan administration. The Carter administration, which came to office in 1977 determined to bring an end to the lengthy negotiations about Namibia, forged an accord in 1978, known as UN Security Council Resolution 435, which set out the outlines for an accord.

It called for South Africa's agreement to withdraw from South-West Africa, and to be replaced by UN troops and political machinery to produce elections and an independent nation.

Although South Africa initially agreed to the formula, it soon became wary, fearing that the United Nations, which does not permit South Africa to take part in the General Assembly and which has passed hundreds of anti-South African resolutions, would not permit truly free elections. Moreover, Pretoria did not like the

idea that SWAPO, with its ties to the Soviet bloc, would probably emerge as the winner in an election.

Against this background, the Carter administration's efforts to fashion an accord in the last months of its term in office foundered. When the Reagan administration came into office, it gave priority to persuading the South Africans to accept the terms of Resolution 435, which would be backed by private American assurances. Moreover, the administration gave much more attention to the problems of ridding Angola, which borders on Namibia, of Cuban combat troops.

The Carter and Ford administrations both made the withdrawal of the Cubans a precondition for U.S. diplomatic relations with Angola. But they had not insisted on a direct linkage between the Cuban withdrawal and the pullout of South Africa from its occupation of southern Angola as well as from Namibia. The Reagan administration, arguing that for the Botha gov-

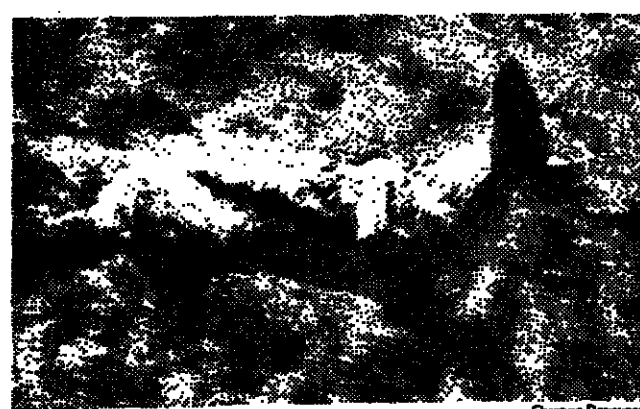
ernment of South Africa to take the steps needed for a Namibia accord it had to be rewarded in some way, decided that a formula had to be found to end the Cuban presence in Angola at roughly the same time as the South Africans returned to their own borders.

For much of the last two years, the effort has been directed toward finding a mutually acceptable approach. It was stated most succinctly by Lawrence S. Eagleburger, then the State Department's undersecretary of state for political affairs in June 1983. Mr. Eagleburger said that "progress in the area can be achieved only if all the parties make a contribution, and only if the security and sovereignty of each is respected."

"South Africa must leave Angola's southern provinces and it must leave Namibia," he said. "Angola, on the other hand, can make such steps possible, while remaining true to its principles, by assuring as a separate sovereign act, the withdrawal of Cuban combat forces from its territory."

In recent months, U.S. officials have talked about a new mood developing in Angola. After refusing for years to discuss a Cuban withdrawal in the context of Namibia, the Angolans have agreed to include the Cubans in discussions on the accord. This followed a fundamental breakthrough last February engineered by Washington, in which Angola and South Africa agreed on setting up a joint military committee to supervise the South African withdrawal from Angola and to ensure that, after the South African withdrawal, SWAPO troops did not follow.

President Jose Eduardo Dos Santos of Angola has publicly agreed to the concept of joint discussions of the Cuban and South African withdrawals. To many Washington officials, it seems only a matter of time before a breakthrough occurs, but they have been so disappointed in the past that no one is making predictions publicly.

A silver-backed fox (*Canis mesomelas elgonae*).Springbok (*Antidorcas marsupialis*) in the Etosha reserve.

Dunes in the Naukluft Namib Park.

War's Overlooked Casualty:
The Fragile Flora and Fauna

By Margaret Jacobsohn

CAPE TOWN — An overlooked casualty of the Namibian impasse is the environment. While nations wrangle about Namibia's political future, its irreplaceable plant and wildlife are being whittled away.

In political and legal limbo for decades, Namibia is fair game for the greedy and the unscrupulous, whether it be poachers seeking meat, ivory or plants; foreign fishing trawlers; gemstone thieves; or leniently taxed international companies using legal loopholes to overexploit water and other resources.

Understandably, some Namibian groups view cooperation with South Africa, albeit over nature conservation, with suspicion. Plans for at least three nature reserves have been scrapped because ethnic groups, conservationists and the South African-backed interim Namibia administration have not agreed on them.

Last year, the South African industrialist Anton Rupert, president of the South African Nature Foundation, announced in Johannesburg that his organization had donated the funds to buy a corridor of land linking Etosha National Park in the eastern Namibia with Skeleton Coast Park in the west. This would mean a joint reserve of one million hectares (2.47 million acres), perhaps the

biggest in southern Africa, reopening ancient migration routes for the endangered desert elephant, black rhino and other animals, securing their survival even in times of drought.

The project failed because the Damaras, in whose homeland the proposed corridor lies, refused to allow the national authorities to take effective control of part of their territory without compensation, even though the impoverished, dry Damaraland has little going for it besides its magnificent wildlife and desert scenery. The long-term potential of income from tourism and controlled hunting is certainly the Damaras' greatest asset.

Much sorely needed technical and financial aid from world conservation bodies is denied Namibia because of its economic and political links with South Africa.

World attention focused on Damaraland's desert elephant in 1981, when an Argentine millionaire trophy hunter shot a record bull called Skeuror, leaving only nine mature bulls fit for breeding and a total herd of fewer than 80. Pressure from conservationists persuaded Namibian authorities to grant the world's tallest elephants protected status.

In 1982 — and again in October of this year —

(Continued on Next Page)



The Etosha national reserve.



A Dry Land of Contrasts

Special to the IHT

NAMIBIA IS AN EXTENSIVE, arid, thinly populated area of vast physical and geographical contrasts.

Located by its pre-independence name of South-West Africa, in the southwestern region of the continent, it stretches from Angola in the north to South Africa in the south, from the Atlantic Ocean on the west to Botswana on the east.

The Caprivi Zipline, or Strip, extends in a fingerlike projection between Zambia and Botswana all the way to Zimbabwe. Walvis Bay, the territory's only deep-water port, is, according to the Pretoria government, to remain an integral part of South Africa after Namibian independence.

Namibia is a harsh and forbidding country with little rainfall and with perennial rivers on the northern boundaries. Periodic, prolonged droughts are a way of life.

The barren and inhospitable, but starkly beautiful Namib Desert covers one-fifth of the territory's 824,000 square kilometers (318,000 square miles).

Stretching along the entire coastline and inland as much as 120 kilometers in some areas, the desert features the dunes of Sossusvlei, some of the highest sand piles in the world.

The country's central plateau — comprising more than half the total area — offers startling landscapes, varying from rugged mountains and rocky outcrops to sand-filled valleys and endless vistas of plains.

The Kalahari, a large part of the northern and eastern areas, is characterized by thick layers of terrestrial sand and limestone and an absence of water.

Lush vegetation thrives only in the north and northeastern areas. West of the escarpment, the ground is so infertile as to preclude any agriculture.

On the central plateau, the vegetation varies from shrub varieties in the south to thorn savannah and thorn trees and shrub in the north.

A SPECIAL REPORT ON NAMIBIA

War's Overlooked Casualty: Fragile Flora, Fauna

(Continued From Previous Page)

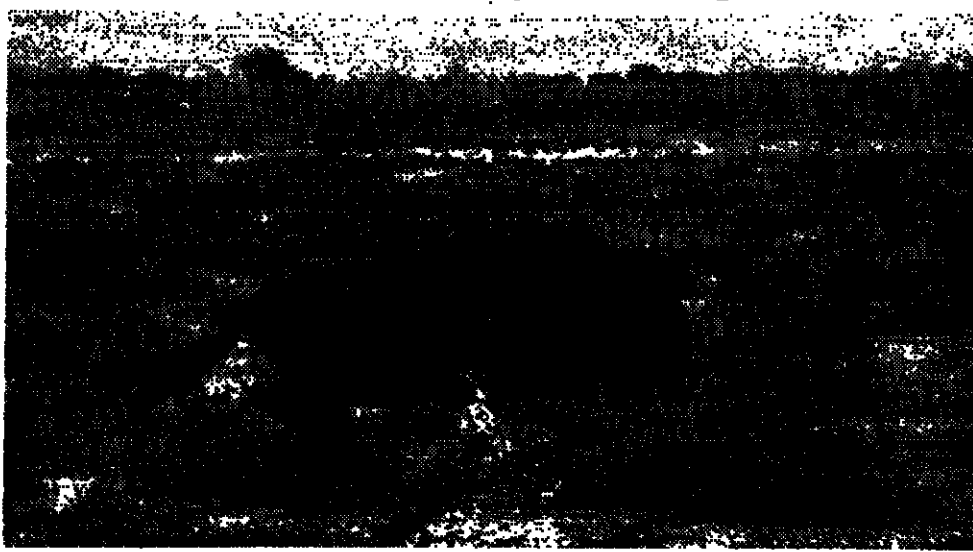
the International Union for the Conservation of Nature, meeting in Botswana, rated the desert elephants a top priority for conservation. Yet the privately funded Damaraland Anti-Poaching Unit has been waiting three years for a \$3,000-rand radio—a vital ground-to-air link in the vast territory—donated to them by an American tourist through the Save the African Wildlife Foundation. The radio is still in the United States because the foundation is reluctant to give anything to Namibia unless it ties with South Africa are severed.

At least six elephants and a number of black rhinos have been felled by poachers in the last three years, although the anti-poaching unit, working with Nature Conservation Department officers, has brought more than 30 poaching cases to court. With the radio, the unit believes it could double its effectiveness.

Foreign fishing trawlers regularly take advantage of Namibia's non-status in the international community. Willie Van Niekerk, administrator-general of the territory, recently estimated that foreign boats fishing inside territorial limits took more than one million tons of fish each year, theoretically worth about 500 million rand on the open market.

Some trawlers, using illegal nets with a tiny mesh, openly disobey orders from Namibian coast guard vessels to stop for searches. The worst offender, according to the Namibian Department of Economic Affairs, is the Soviet Union, followed by Spain, Romania, Poland, Bulgaria, Cuba, Portugal, South Africa, East Germany, Japan, South Korea and Israel.

Mr. Van Niekerk said that complaints with the International



A blue wildebeest on the move in the Etosha.

Commission for Southeast Atlantic Fisheries and with the countries of registration had had little effect, and that at any given time there were 180 to 200 foreign fishing boats off Namibia's coast.

Namibia's Department of Sea Fisheries introduced strict measures last year to prevent overfishing by shore anglers, aimed mainly at South Africans who bring gas-powered deep freezers to the coast, fill them, and sell the fish in South Africa. The restrictions were generally welcomed by Namibians.

Plant poaching is rife in some areas of Namibia. Entire communities of ancient, rare plants, botanic wonders of prehistory, have been taken and sold in South Africa, threatening the survival of several species of slow-growing desert succulents. Because of the vast and isolated areas involved, the high

degree of organization of the poachers (who sometimes use light aircraft) and the lack of border control between Namibia and South Africa, there is little that conservation officials can do.

A strong argument exists for declaring parts of Damaraland and Kaokoland a world heritage under the 1972 World Heritage Convention of the United Nations Educational, Scientific and Cultural Organization, as was done in December 1982 with the Franklin River in Tasmania. But neither South Africa nor Namibia is in UNESCO or the World Heritage Convention.

Nick Carter, southern African consultant for the London-based Environmental Investigation Agency, said he believed that the area was a world heritage whether listed or not: "Political-legal con-

siderations prevent Namibia from seeking the funding and technical help of UNESCO/WIC and the 'Man and Biosphere' program. But if, as is claimed, world heritage values transcend all political and geographical boundaries, it is a challenge to international conservationists to stimulate awareness and attention to Namibian areas."

Apart from a number of privately owned safari and game farms in the territory, 11 game parks and resorts are run by the Namibian government. Attractions include hot springs such as Ai-Ais at the edge of the Fish River Canyon, but without a doubt the major tourist attraction is Namibia's wildlife.

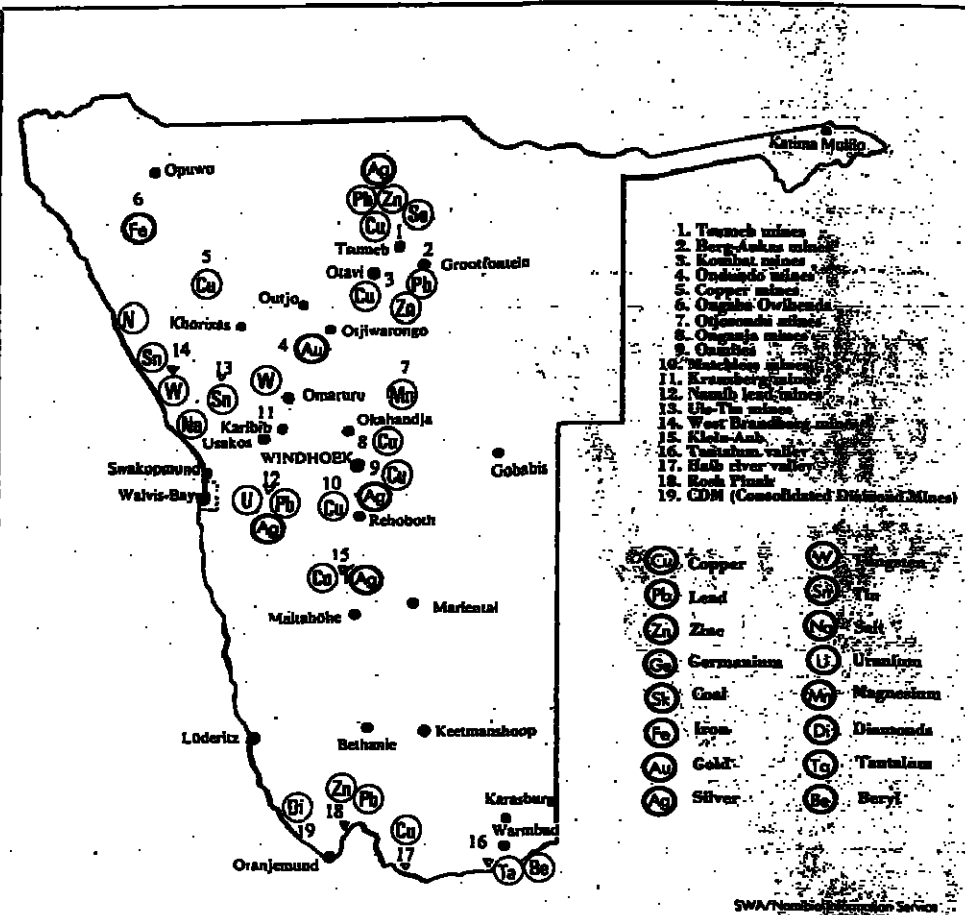
In the two Namib Desert parks—including the Skeleton Coast Park, named for the many shipwrecks along its treacherous shores, where the Namib meets the

Atlantic Ocean—lions hunt seals and black-back jackal, and the endangered brown hyena scavenge among flotsam and jetsam. The territory is hauntingly beautiful—dry riverbed moonscapes carved in black basalt, vast pale-pink and navy-blue sweeps of gravel, pale gold, ever-moving, sickle-shaped dunes against a brooding backdrop of Tolkenesque mountains.

The Namib, believed to be the world's oldest desert, is one of the most fragile of ecosystems. To scientists it is also a living laboratory: home of the rare "Dancing With Lady" spider, sand-swimming lizards, sidewinder adders, barking geckos, beetles especially adapted for life in the dunes. One beetle species builds irrigation furrows in which to collect moisture from fog; another stands on its head in the cold fog on a dune top and collects the moisture that runs down its belly to its mouth.

A ray of hope in the Namib last month was the birth of three calves to the desert elephants—the first born in six years and the first sign that the herd, now numbering 72, is fighting back to survive. The elephants' role in the delicately balanced ecosystem of the Namib is crucial. Without the elephants to dig for water in dry riverbeds (holes up to 4 meters, about 13 feet, are common), many other species, including the black rhino, giraffe, lion and cheetah, would not survive.

Blythe Loutit, botanist and artist and one of a handful of permanent Skeleton Coast residents, sums up the resilience of Namibians trying to preserve their heritage: "To me, the desert elephants are a symbol of Namibia, representing something that transcends politics. I don't mind who rules my country, but will there be anything left by the time the politicians stop talking?"



Mineral Resources Provide Bulk of Namibian Exports

By Max du Preez

JOHANNESBURG—Without its wide range of minerals, Namibia would be one of the poorest countries in Africa. In 1983, minerals constituted more than 88 percent of the territory's exports and 27 percent of its gross domestic product—down from 47 percent in 1979.

The range is wide. Namibia mines—in order of sales value—uranium, diamonds, copper, silver, lead, tin, zinc, gold, sulfur, salt, arsenic, amethyst, mineral specimens, cadmium, petalite, agate, rose quartz, marble, aragonite, amethyst, limestone, tourmaline, lepidolite, wollastonite, calcite, quartz and mica. The first seven account for 98 percent of Namibia's total mineral sales.

It is widely believed that Namibia has significant amounts of coal, iron ore and platinum, but this has not been proved. Authorities are tight-lipped about the Kudu gasfield in the region of the Orange River mouth, off the Atlantic Coast, but it seems clear that exploiting the field would be too costly now.

In 1980, about 80 percent of Namibia's mining output, 45 percent of its GDP, 75 percent of the value of its exports and almost 50 percent of its government revenue came from two mining houses: CDM Ltd. and Rossing Uranium Ltd. CDM, a member of South Africa's De Beers group, mines diamonds at Oranjemund in the south. Rossing, an affiliate of the London-based Rio Tinto-Zinc Corp., mines uranium in the Namib desert.

Rossing's uranium is exported mainly to Britain's Atomic Energy Authority, and reportedly also to West Germany, France and Japan. (South Africa's Atomic Energy Act keeps secret any information on Namibian uranium sales and exports.) The only other big mining house, Amex-Newmont's Tsumeb Corp. Ltd., or TCL, produces copper, lead, silver, arsenic, gold and cadmium at its Tsumeb, Kolibet and Otjomuise mines.

The sheer scale of the Big Three is out of proportion to the rest of the economy. Their capital investment (Rossing 900 million rand, CDM 750 million rand and TCL 500 million rand) adds up to more than the current year's GDP. Given the rise of economic nationalism in Africa,

this factor alone generates a mixture of awe and suspicion.

CDM is one of the world's largest diamond producers. Through special rates of taxation, Namibia retains about two-thirds of the mine's profits. Through the Halbecheid Agreement with South Africa's administrator of Namibia in 1973, the company got exclusive rights to mine a 10,000-square-kilometer (3,800-square-mile) strip of the southern desert coast until 2010. In huge earth-moving operations, CDM shifts sand to get at the diamond-bearing gravel below. In one area, the sea itself has been pushed back 100 meters (109 yards) to allow mining in the surf zone.

CDM is facing severe criticism following accusations that it broke the Halbecheid Agreement and indulged in a pricing plan that gamed the company a tax break and thus robbed Namibia of revenue. This so-called transfer pricing involves putting one price on diamonds when they come out of the mine (and are taxed), and another when they are exported through South Africa to the De Beers-controlled Central Selling Organization in London, from where most of the world's diamonds are marketed.

The main charge is that, violating the Halbecheid pact, the company overmined in the 1970s and shortened the life of the mine, which is now estimated at about 10 years. CDM denies all the accusations. Diamond production in Namibia reached its highest levels in 1978, when diamond prices were high. The prices have since dropped substantially, as has the sector's contribution to GDP and tax revenue.

Rossing has overtaken CDM as the major contributor to the state finances, although it started to pay tax only this year after being allowed to write off its capital investment. The mining sector's contribution to state revenue declined from 142 million rand in 1980 to 20 million in 1983, but it is estimated to be 73 million rand this year, mainly because of Rossing's contribution.

Rossing operates the biggest open-pit uranium mine in the world, with a capacity of more than 5,000 tons of yellowcake annually. As Rossing's long-term contracts run out, its sales are dropping

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Whose Terms Will Prevail on Independence Issue?

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it repeatedly has been accused of providing massive funds for the Alliance.

South Africa's strategy with regard to Namibian independence has become increasingly clear in the course of 1984.

The Pretoria government wants Namibian independence, but on its terms; those terms do not include giving SWAPO the propaganda victory of claiming a settlement through guerrilla warfare.

Repeated statements by South Africa's foreign minister, Roelof F. (Pik) Botha, and its president, P. W. Botha, appear to indicate South Africa's preference to bypass the United Nations in a Namibian settlement.

While recognizing UN Security Council Resolution 435, the 1978 blueprint for Namibian independence, South Africa ideally would like to see SWAPO and the parties in the Multi-Party Conference around a conference table—chaired by South Africa—amending the resolution. The idea is clear: If the Namibians themselves agree to amending Resolution 435, what can the world say?

The constant bedeviling factor in the implementation of Resolution 435 has been the insistence, first by the Reagan administration and

then by South Africa, that Resolution 435 cannot be implemented while the estimated 30,000 Cuban troops remain in Angola. In turn, Angola has insisted that it cannot get rid of the Cubans as long as South Africa provides aid to the Angolan guerrilla organization, UNITA, led by Jonas Savimbi. The fact that Jose Eduardo Dos Santos, the Angolan president, has dismissed his pro-Soviet, hard-line foreign minister, Paulo Jorge, may lead to a softening of the Angolan attitude and some kind of negotiated withdrawal.

South Africa has kept Namibia firmly under its rule as an occupied territory mainly for strategic reasons. The territory is a buffer zone for the country's early defense—with borders that touch on Angola, Zambia, Zimbabwe and Botswana—and a training ground for South Africa's 100,000 combat troops.

Namibia, as military officers freely agree, also is an excellent testing ground for new weapons developed by South Africa's growing arms industry—an industry developed in answer to the international arms boycott of the country. The costs of keeping Namibia as a territory have become too high, however. Still, if Namibian independence is inevitable, questions remain: on whose terms, and how.

South Africa wants independence on its terms. Those terms

include an admission from SWAPO that it can no longer sustain the guerrilla war in the Ovambo, Kavango and Kaokoveld regions, and a forced "cessation of hostilities" in the war, as opposed to a normal cease-fire.

The scenario being promoted by South Africa is one in which SWAPO will admit that the war is unwinnable and will meet with the Multi-Party Conference to create a mutually agreeable independence settlement including some elements of the UN plan.

The South African thinking appears to be that, without guerrilla successes, the support for SWAPO will dwindle, and the Multi-Party Conference will stand a better chance of winning an election. Allied to this thinking is a viewpoint popular in white business circles: bring SWAPO into an interim government prior to independence elections and force the group to recognize that the country cannot be governed by socialist principles. "Economic independence before political independence" is the slogan.

The Multi-Party Conference has denied publicly that it is about to set up an interim government. South Africa most likely will not force the issue unless it can get SWAPO in as well. But private leaders of the Multi-Party Conference admit that they are lobbying

to get pre-independence support for an interim government.

Discussing the talks held in Lusaka in May this year between South Africa, SWAPO and the Multi-Party Conference, Mr. Van Niekerk's chief aide, Sean Cleary, said: "There can be little doubt a new formula is being tested."

That new formula is one that replaces key elements of Resolution 435 with elements acceptable to South Africa. The first is the "cessation of hostilities" as opposed to a formal cease-fire. The second involves replacing a UN peacekeeping force with a force made up of southern African armies. This may have been a far-fetched dream a year ago, but with peace initiatives in Mozambique and Angola sponsored by South Africa, and the increasing sympathy of Zambia's President Kenneth Kaunda toward South Africa, the dream could become reality.

The third and most important element would require SWAPO to meet with the Multi-Party Conference to work out a post-independence constitution.

It is highly unlikely that SWAPO will agree to these conditions. Both SWAPO and South Africa are aware of the support SWAPO has, particularly in the farming regions of the north, where the guerrilla war dominates daily life.

Even optimistic estimates would not put the total electorate support of the Multi-Party Conference at more than 20 percent, with SWAPO and various allied parties getting the rest.

Exact predictions are impossible, of course, as SWAPO has never participated in an election in Namibia. Also, there have been widespread reports of interference by South African security forces in elections for the ethnic bodies. Finally, the war has meant that large numbers of people in Namibia have never known anything but a life dominated by strife.

The war itself has entered a critical phase for both South Africa and SWAPO. And, as can be expected,

there are conflicting reports on the status of the war.

South Africa has achieved remarkable military successes, and it says that its military is getting support and information from civilians on a widespread basis. Church leaders, doctors and teachers in the war zone deny this, however. "How can South Africa hope to win the war when they are seen as a foreign army of occupation, and the guerrillas all grew up at the villages in the war zones," a Roman Catholic priest said recently.

Furthermore, the South African Special Operations Unit code-named *Koewer*, Afrikaans for "crowbar," has been accused of repeated atrocities against civilians. This can only make it more difficult to win the support of the population.

SWAPO has an estimated 7,000 to 10,000 guerrillas in arms and under training. It has had heavy military losses in the last three years, however, mainly through "pre-emptive" South African strikes at SWAPO bases in Angola. Recent gestures by South Africa indicate a softening on Namibia: the release from Robben Island prison of Andimba (Herman) Toivo ja-Toivo, regarded as the "father of SWAPO," after 16 years in jail; three sets of talks with SWAPO's leadership, some in secret, some in public; the systematic release of 140 internees held at the Mariental top-security prison since they were abducted from Angola by the South African Defense Force on May 4, 1978.

But there also have been contradictory actions, like the rounding up of 37 of SWAPO's top leaders by security police at a Roman Catholic seminary on the eve of President Botha's meeting with the Pope on June 9 this year. (SWAPO is not a banned political party inside Namibia, although its activities are severely circumscribed by legislation, and through harassment by the police.)

—TONY WEAVER

South West Africa/Namibia covers an area of more than 318 000 square miles. And every inch of it abounds with opportunity. Undeveloped mining resources. Many and varied tourist attractions. Fishing and agricultural potential. It could be worth your while to come and take a closer look.

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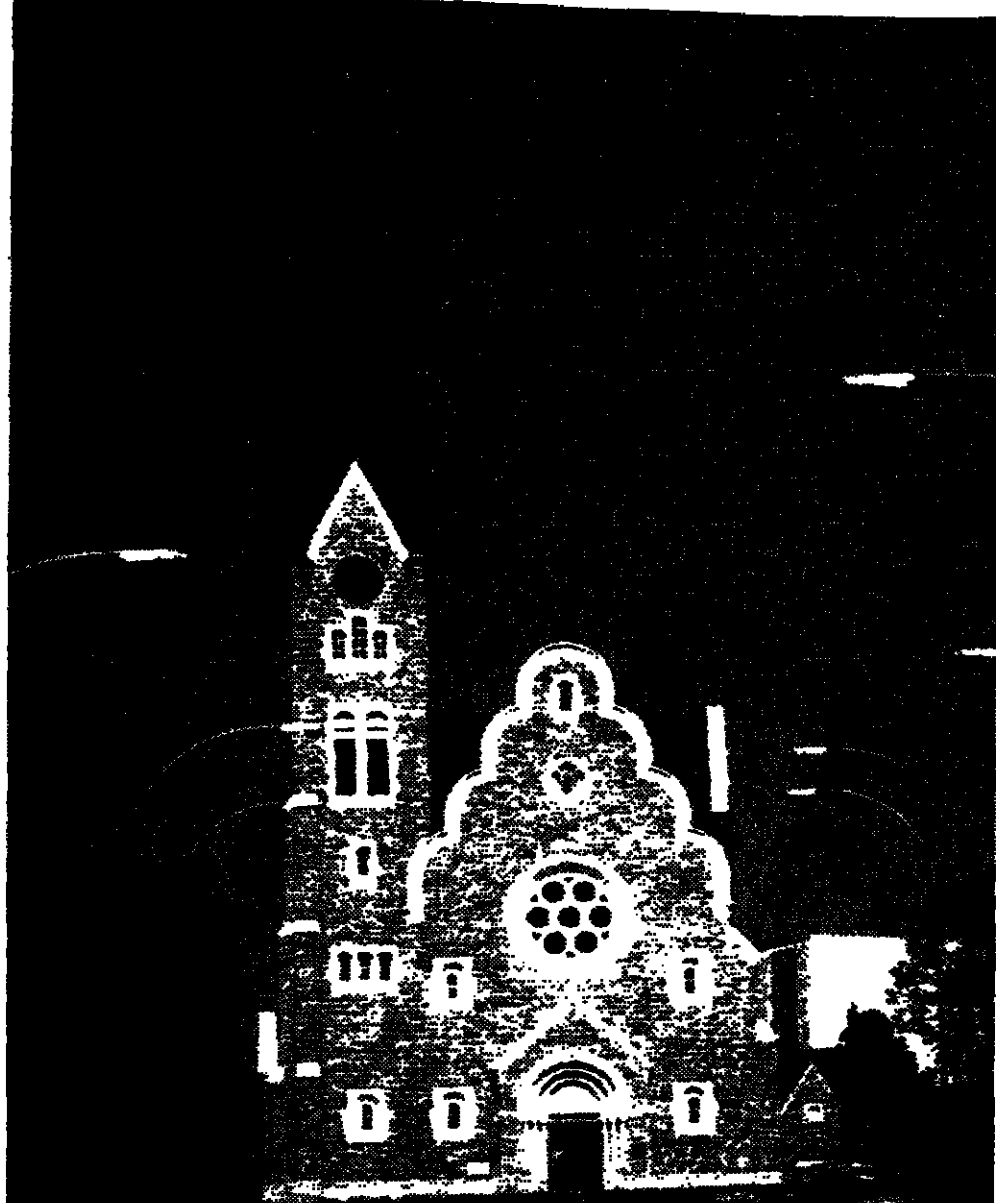
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A SPECIAL REPORT ON NAMIBIA

Tourism: Windhoek Retains Its German Flavor



The Lutheran Church in Windhoek.

WINDHOEK — German colonization of South-West Africa in 1884 and German rule that lasted until 1915 have left a strong mark on the territory's commercial sector — and this mark is most strongly felt in the hotels and restaurants.

The cuisine is largely German and Austrian, with similar menus in most of the restaurants. Most of the hotels are run on the lines of Bavarian inns.

Windhoek itself has only one hotel that provides a 24-hour communications center and all-night room service, the Kalahari Sands.

The Sands, centrally situated on Windhoek's main street, Kaiser Strasse, also has the convenience of straddling the capital's most modern shopping center, and is one block away from the American Express headquarters.

The hotel is modeled on the Holiday Inns credo of uniform rooms that are easy to service and maintain. Rates are 60 rands a night for a single room and 70 rands for a double, both with bath and shower, television and a closed-circuit channel.

Breakfast is not included, but the hotel has an adequate coffee shop, which also serves an unimpressive lunch (about 18 rands for a three-course meal).

The Sands has a swimming pool, sauna and discotheque, and, on its 14th floor, arguably the best restaurant in town. The Moringa Room is a glass-fronted restaurant with the best views in Windhoek, an extensive menu of local and international dishes, and a good wine list.

A three-course meal with wine at the Moringa Room averages about 25 rands per person, with an upper limit of 40 rands if the pricey seafood dishes are chosen.

Regular visitors to the territory

prefer the more sedate, mostly family-run private hotels and inns, which do not have the chrome, glass and plastic air of the Kalahari Sands. The smaller hotels generally do not have service beyond midnight and have no television; at some it is necessary to obtain a front-door key if you intend to stay out after midnight.

The best of these small hotels is the Fürstenhof, situated on the Okahandja Road. At 41 rands a night for a single and 59 rands for a double with bath and breakfast, guests also have access to a 24-hour switchboard. There are no telex facilities; room service ends at midnight; but there is a public bar and an excellent restaurant. Prices for a three-course meal with wine for one will range from 16 rands for a meat main course to 27 rands for a seafood main course.

Meat is cheap in Namibia, as beef farming is the main agricultural activity. But, because of the semi-desert and desert terrain throughout most of the territory, salads are expensive, and, unless otherwise specified, come drenched in oil and vinegar in the German tradition.

Windhoek has several down-market hotels, which should be avoided. Although they are cheap, in general the standards of hygiene are poor and the restaurants bad.

But one down-market hotel is worth staying at if your budget does not stretch to the Sands, Fürstenhof or other private inns. The Thüringerhof Hotel in Kaiser Strasse has clean rooms and room service until midnight, and the switchboard is open until 11 P.M.

The Thüringerhof charges 35 rands for a single and 50 rands for a double with bath and breakfast. The hotel's best features are its open-air beer garden and its reasonable steak house, where a good steak, with starters, dessert and wine will run to about 20 rands per person.

There are many private inns scattered throughout the capital. Most are expensive, and complaints are few. The two most highly rated are the Private Pension Berger in Jan Jonker Road and the Private Pension Avignon, adjacent to the Hotel Fürstenhof.

The Berger charges 43 rands for a single and 54 rands for a double with bath, and it has a television lounge and large swimming pool. There is a bar for guests only, but there are no restaurant facilities. The hotel will provide meals with the family for guests who request them.

Traveling outside Windhoek, it is pretty much a matter of one hotel per town. But Swakopmund, the main seaside resort, and Tsumeb,

the last town before the Erosha game park, both have wide choices. Swakopmund has arguably among the best hotels in southern Africa. The Hansa Hotel, in Roon Street, is a delight of old-world courtesy and efficiency, with every room decorated in a different historical period, with appropriate antiques.

The rooms are large, with immaculate bathrooms and super-comfortable beds, and the breakfast — included in the bill — should not be missed. Prices are 40 rands for a single and 52 rands for a double, including bath and breakfast. The switchboard is open until midnight, as is room service. Prices are to go up by 10 percent in January of next year.

The Strand Hotel is the second-best choice in Swakopmund, although the numerous private pensions are better-known for their fine service and comfort. The Strand's charm lies in its location. Guests can literally catch fish from their bedroom windows, and winter storms often force guests to bolt windows against storm spray.

The service is not all that fast, and the management is often indifferent — but the view helps to compensate. Prices are 44 rands for a double and 31 rands for a single with bath and breakfast.

In Tsumeb, the Minen Hotel, opposite the Public Gardens, has a delightful beer garden and outdoor restaurant, and the wiener schnitzel is the best in Namibia. Prices are 33



The Zoo Garden district of Windhoek.

rands for a single and 50 rands for a double.

Besides the hotel restaurants already mentioned, there are few in Windhoek and elsewhere that rise above the ordinary. The Gourmet Inn, in Jan Jonker Road opposite the public baths, is an exception. This is an impeccably run German restaurant where the food is excellent and the service fast. A good three-course meal with meat is likely to average about 24 rands per person (with wine), while the better-than-average lobster and other seafood delicacies with the same starters and dessert and with wine will average 32 rands a person.

On the Gobabis Road, leading into the city from the airport, is the Yang Tze, a Taiwanese restaurant, the only slightly exotic eatery in the

territory. Booking is essential in this popular venue, and a typical six-dish meal with wine should not cost more than 30 rands per person.

In Swakopmund, Kucki's Pub, in Roon Street, deserves a mention for its steaks, which are very thick and tender. The service is slow and haphazard, the atmosphere delightfully Bohemian (Swakopmund is the last great hippie refuge in Africa) and the music loud. The food is worth waiting for, and the cost is reasonable — an average of 16 rands per person for a three-course meal with wine.

All the prices mentioned are subject to Namibia's inflation rates and some are subject to a 9-percent general sales tax charge. Inquire before buying.

— TONY WEAVER

Economy Declines

(Continued From Page 7)

supervision... which is leading to the rapid collapse in the entire country.

The "Jones document," as it was dubbed, further stated that, if politically motivated spending continues, by 1987 the territory's foreign debt would be equal to its total gross domestic product. "Expenditure is already moving beyond the financial means of central government and it is expected that within a few years this expenditure will be completely out of control."

Although Namibia may be over-governed, it does have one of the best-developed infrastructures in Africa, considering its small population and vast distances. Much of the infrastructure has been developed for military purposes, roads, telecommunications and broadcasting facilities.

Mr. Jones said: "We are, if anything, oversupplied with roads, electricity and hospitals. Major state road construction is nearly complete, with only a small section left in the far north — and in any case, much road construction in the north has been for security reasons rather than economic reasons."

Namibia's capital is Windhoek, but duplicating, second-tier administration buildings are scattered in ethnically defined regions throughout the country. One of the reasons for the duplication of facilities is the practice of having separate buildings and services for each of the 11 ethnic groups. Only now are health services beginning to be rationalized; before, hospital wards were reserved for specific ethnic groups, leading to overcrowding particularly in black hospitals, and empty beds in white hospitals. Schools are reserved for specific ethnic groups, save for a handful of private institutions open to all races.

The Namibians describe the second tier of government as "one man, one government," and the central government run by the South African administrator general as "one-man government."

The territory is serviced by a network of more than 3,500 kilometers (2,170 miles) of tarred roads and more than 30,000 kilometers

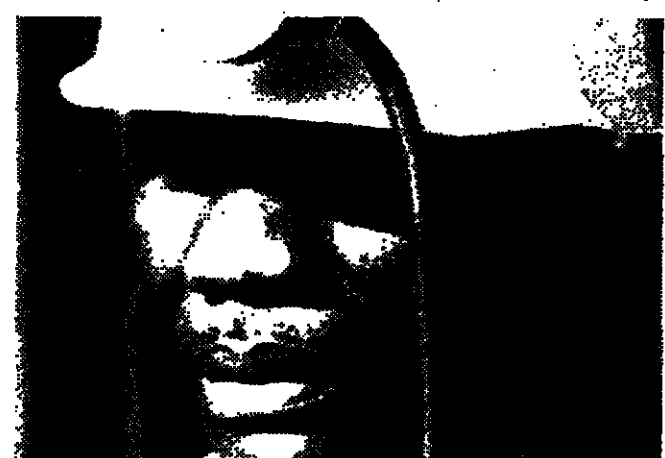
(18,600 miles) of gravel-top roads. Road transportation of goods is increasingly becoming more important as the government prepares to shut several key railway lines because of unprofitability. Windhoek will be taking over the running of all transport services allied to the railways, except rolling stock, from South Africa on April 1, 1985. With the takeover comes more than 90 million rands in debt to the South African transport services.

The major towns have modern airports, and every small town has its own landing strip. The domestic air service, Namib Air, is run by the First National Development Corp. and is tied into the South African Airways' southern African and international network. Ties with South Africa are slowly being severed on every service front, but the breaks are slow and expensive.

Namibia's monetary system is the same as South Africa's, the basic unit being the rand. The territory shares in the South African customs and excise tariff agreement, and out of this agreement derives an important slice of its revenue — 250 million rands a year. These ties mean that the territory shares in South Africa's steadily rising inflation and is subject to the same world currency fluctuations — at present, the rand is at a record low of 50 South African cents to the U.S. dollar, whereas less than two years ago, the rand was almost equal to the dollar.

Although the postal services are run by the South-West Africa administration, all international communication linkups are through South Africa, and the tariffs for postage linked directly to South African tariffs. Television and broadcasting, which were introduced five years ago, borrow heavily from South Africa's state-run broadcasting network, and although Namibia has a three-weekly domestic television news broadcast, there is a nightly news broadcast from South Africa that arrives a day late on video cassette.

In the last financial year, the construction industry's contribution to the gross domestic product fell by 30.3 percent as government spending was cut drastically on construction projects. The fishing



A miner in Tsumeb.

industry, once one of the backbones of the Namibian economy, is in deep difficulty. Namibia's international position means that it cannot enforce offshore laws, and foreign travelers have stripped the seabed. South African trawlers also reap much of their harvest off the desert coast, where a cold Atlantic current and a permanent upwelling provide a rich breeding ground for cod, pilchards, sole and whitefish.

The total domestic fishing catch in 1983 dropped to 17,482 tons, against 27,536 tons in 1982. Fishing contributes only 2 percent to GDP.

Talking of Namibia's economic vulnerability, Kurt Bohme, president of the Chamber of Commerce and Industries in South-West Africa, said in a recently published interview: "We have virtually no manufacturing industry; it's a service industry, often possessing ma-

terials imported from South Africa. Development in commerce and services follows growth in the other sectors, but opportunity is limited outside the primary sector. Given our infrastructure, most of what we manufacture here must go to or through South Africa, which already has pre-empted us with larger and more developed industries."

A Wide Range of Minerals Provide National Exports

(Continued From Previous Page)

in a worldwide uranium glut. Sales dropped 20.6 percent in 1983, according to a spokesman for the Department of Economic Affairs. Still, the company's eventual contribution to tax revenue has been estimated at about 100 million rands a year at the current capacity level.

TCL was hit hard by the severe drop in the price for base metals and is struggling to keep its head above water. With new investments, it has stopped paying taxes for the time being. But the company's general manager, Bob Meiring, is optimistic: "While copper's being displaced in telecommunications, it remains essential in the energy field, which will be a crucial factor in world economic growth. Zinc has very good prospects, and while lead is being phased out of fuels, by the end of the century electro-motive vehicles based on lead storage batteries will boost it again."

All three big mining houses, and some others, are heavily engaged in prospecting. Trust and Mining Co., run by an old mining hand, Des Mathews, represents several large corporations interested in Namibia's mineral wealth. "A lot of them are sitting on the fence — their basic requirement is long-term stability," Mr. Mathews said. He believes that prospects for mining investment after some kind of independence agreement will depend on the minerals market, that even a political settlement with favorable government policies would not precipitate a large investment inflow.

Namibia's secretary for economic affairs, Piet Kruger, said he believed that prospectors had only been "tiddling around" on the surface and that once they go down deeper they will find many more payable deposits. "You cannot have so many promising signs on



The Tsumeb copper mine.

the surface and nothing underneath," he said.

Mr. Kruger also predicted that the mining sector in Namibia would grow and in the future constitute an even bigger slice of state revenue. "We have the infrastructure: electricity, water, roads, rail lines, Walvis Bay harbor, abundant labor. What we need is capital and entrepreneurship. Independence and political stability will help a lot, but the main problem will still be the cost of capital," he said.

According to the Namibia Chamber of Mines, metals and minerals produced in 1983 came to 54,000 tons of blister copper, 962,752 carats of diamonds, 250 kilograms of gold, 35,500 tons of lead, 137,000 tons of coarse salt, 100 tons of silver, 1,400 tons of tin concentrate, 56,000 tons of zinc

(Continued on Next Page)

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A SPECIAL REPORT ON NAMIBIA

Agriculture Emerging From the Drought

WINDHOEK — Namibia is a dry country. The battle for water and the dependence of the economy on the low annual rainfall of 180 mm mean survival or defeat for the territory's peasant and commercial farmers.

The territory is only now emerging from a vicious seven-year drought cycle — in the northwestern areas of Damaraland and the Kaokoveld, the drought broke earlier this year after 10 years without significant rains. Agricultural experts estimate at least three more years of good rains will be needed to restore devastated grazing to its former levels.

An indication of the effects of the drought is that in 1982 agriculture contributed a cash income of 190 million rand to the national income. In 1983, this dropped to 142 million rand.

The decline in cash income was mainly concentrated in the two most important agricultural sectors — beef and karakul production.

The karakul population of Namibia — farmed in the highly climate-sensitive desert and semi-desert regions of southern Namibia — where this year's rains did little to break the drought — has dropped from five million karakul sheep in 1978 to roughly two million in 1984.

At the same time, the beef cattle population dropped from 2.9 million in 1978 to 1.3 million in 1984. The prices reached for karakul, or swakara pelts as they are known on the world market, went through a steady decline from 1978, and have only now, in 1984, reached the monetary level they were at in 1979. In real terms the prices are now at a level that is probably about 40 percent lower than five years ago.

Agriculture's total contribution to the gross domestic product of Namibia has dropped from just over 9 percent in 1982 to 6.5 percent in 1983 — and, given the three-year drought recovery period

needed, this is likely to decline further before improving. Beef has been the main contributor of agricultural revenue to the state.

Although in 1970 the cash income from karakul pelts equaled that of beef, by last year, beef was contributing 77.4 million rand to the total agricultural cash income of 142 million rand. Mutton production contributed 24.2 million rand, and karakul pelts 11.9 million rand. Wool production was the only other significant contributor, at 1 million rand. All other agricultural products combined — including game farming, garden vegetables, maize, sorghum, millet, fruit, goat herding, dairy farming, sunflowers and peanuts — together contributed 27.6 million rand, with no single production contributing over one million.

Farmers ascribe the decline in karakul prices and production to not only the drought but also decreasing world demand, as animal anti-cruelty organizations increase awareness of the methods involved in obtaining the pelts: prime pelts come from lambs slaughtered at birth.

Economists emphasize that drought and climatic conditions in general are not the only reason for the decline of agriculture as an important sector of the economy. Unscientific farming methods, overgrazing of land in good years and the steady decline of the peasant farming because of the war and land dispossession all have to be taken into account.

The rush by white farmers — subsistence peasant farmers, in terms of apartheid legislation introduced in the 1960s under the Odendaal Plan, occupy only 20 percent of the good stock farming land and a mere 5 percent of the arable land — to convert their stock farms to game farms as an easily manageable resource has added to the agricultural problems.

An estimated 5 percent of stock has been converted for game ranching, venison being a potentially lucrative export commodity. But as the drought worsened in the late 1970s and early 1980s, many white farmers simply abandoned their farms and sought work in the cities while biding their time waiting for the drought to break. The results were disastrous.

The chief biologist of the Etosha Game Park, Dr. Hu Berry, said:

"They build camps to keep the kudu (a large antelope prized for its venison) in, and when they left their farms, the kudu had no way of getting out or moving to better grazing." The result was a rabies epidemic, and Dr. Berry estimates that Namibia's kudu population dropped from 80,000 to 20,000 between 1980 and 1982.

Peasant farming has been worst hit, not by drought but by the 18-year guerrilla war between South African troops and the guerrillas in the South West Africa Peoples' Organization. More than 50 percent of the population of Namibia live in the Kavango and Ovambo war zones, and most have access to land for subsistence farming activities. While only 44,000 black laborers are employed in white commercial agriculture, more than 120,000 heads of household are directly involved in peasant farming activities.

The figure of 120,000 is misleading in itself, as the unit of agricultural peasant production is the extended family, so that in fact close to half a million people are directly employed in peasant agriculture.

The short-term problems of Namibian agriculture are being addressed by major government intervention in the form of drought aid.

At present, there are 5,200 commercial farms owned by 4,500 farmers, but only 3,500 of the farms are occupied, because of the drought, according to Janine De Wet, in charge of white agriculture. Drought aid was originally budgeted at 37 million rand but was dropped to 29.6 million rand after good rains fell early this year. About 60 percent goes to black farmers, the rest to the white farmers.

The long-term problems of agriculture are, of necessity, going to form an urgent priority of any post-independence government. A more rational approach to agriculture and a correction of the skewed land distribution will be essential.

— TONY WEAVER



The Ruacana hydroelectric complex on the Angolan-Namibian border.

The Enduring Popularity of SWAPO

By Denis Herstein

LONDON — If there were free elections in Namibia tomorrow, the odds would be on a resounding victory for SWAPO (the South West Africa Peoples' Organization). The South African government of Pieter W. Botha admits it

COMMENTARY

privately. Jonas Savimbi, head of the Angolan UNITA guerrillas and a sworn enemy of SWAPO, has said so publicly.

It would probably have been the case 10 years ago as well. The Namibian independence movement's finest recruiting officer has been the South African government, which refuses to give up its colonial holding.

As with Robert Mugabe's Rhodesian civil war, the lesson to be drawn is that whoever stands up to white rule the longest and the most

bravely carries the day. Although South Africa is understandably annoyed at the United Nations' designation of SWAPO as the "sole authentic representative" of the Namibian people, the indications are that it is just that.

SWAPO's origins are found in an organization set up in the 1950s to fight for the rights of contract workers from the Ovambo tribal group at white-owned mines, farms and fish canneries. Its two best-known leaders were launched into anti-colonial politics at that time. Sam Nujoma, the president, who was educated at a Finnish mission school and later worked as a sweeper at a railroad station in Windhoek, has lived in exile for two decades. The secretary-general, Andimba (Herman) Toivo Ja-Tolvo, was released recently after 16 years in the Robben Island political prison near Cape Town.

It is not surprising that Ovambos have been at the forefront of resistance to colonial rule — they constitute the majority of the territory's more than 1.25 million people. And, unlike the Hereros and Namas, they were not victims of genocide at the hands of the German colonists in the early 1900s. Over the years, however, SWAPO membership has spread to all the dozen or so tribes of Namibia, with non-Ovambos well-represented throughout the organization's hierarchy at home and abroad. Last May, the group's first white member, Anton Lubowski — a Windhoek lawyer of Afrikaans, German and Polish descent — revealed publicly that he had joined clandestinely six years before while others, especially German- and English-speaking Namibians, had to remain secret members, for security reasons.

SWAPO is not banned, but its activities are tightly restricted by administrative decree and police harassment. The group cannot hold meetings, whether social or political. Recently, SWAPO members and supporters were arrested at a barbecue outside Windhoek.

Life is dangerous in the far northern Ovambo and Kavango areas, where the war is being waged. The armed struggle began in 1966, when the United Nations revoked South Africa's League of Nations mandate to administer the territory. Northern Namibians are often suspected of fraternizing with the guerrillas, and they risk curfew imposition, random shootings, arrest, torture and murder at the hands of South African police and army.

Mass departures from Ovambo land began a dozen years ago, when tribal leaders loyal to South Africa had men and women publicly flogged for being SWAPO sympathizers. The refugees settled in Zambia, but after Portuguese colonialism ended in 1974, later refugees went to camps in Angola; SWAPO has its headquarters in Luanda. There are about 80,000 Namibian exiles in Africa, and many thousands more inside the territory have been displaced for strategic military purposes.

As with the Palestinians, Namibians benefit from educational facilities around the world. The United Nations Institute for Namibia in Lusaka, Zambia, offers administrative and technical training to exiles for the day when they run the country.

SWAPO says its post-independence program will aim to convert "capitalistic exploitation into socialist democracy," although its leaders appreciate the extent of their economic dependence on South Africa — in railroads, coal and oil supplies, civil servants and, most irksome, South Africa's determination to hang on to the main port, Walvis Bay.

At least some of the vast white-owned ranches will be turned over to black Namibians, although presumably without endangering the lucrative karakul (Persian lamb) pelt farming in the south. The opening of new mines, inhibited by the war, will be encouraged, but with state participation, as elsewhere on the continent. It remains to be seen what will happen to the existing uranium, copper and diamond mines in light of a UN decree that prohibits their being worked and demands compensation for an independent government. They provide the bulk of Namibia's hard currency.

Namibia can look forward, how-

ever, to generous development aid from governments thankful to have had the independence issue settled.

Politically, SWAPO envisages joining the nonaligned movement and the Commonwealth. English will be the national language.

SWAPO leaders say there will be no bases for the African National Congress, the black liberation group fighting South Africa; Pretoria's stern warning to the Marxist government in Mozambique against aiding the ANC had a strong effect.

There can be little doubt that without the armed struggle waged by SWAPO's military wing, the People's Liberation Army of Namibia, South Africa would by now have divided the territory into "independent" Bantustans, with whites in control of the most desirable land and their hold on all the worthwhile resources reinforced.

Arms for the 7,000 SWAPO guerrillas come from the Soviet

Union and Eastern Europe, without whom the war would not be feasible. As a result, many SWAPO leaders hold to Marxist ideals. Indeed, the occasional defection from the movement (notably Andreas Shipanga, one of the founders of SWAPO) or imprisonment of dissidents from the movement (as in Tanzania five years ago) can be traced to the radicalizing of the organization. But the rebels' solid mission-school basis remains. And the two sets of combatants — Afrikaners and Namibians — may be the most Christianized peoples in Africa.

The West is angered by the Soviet connection. Yet two centuries ago, when the American colonies were waging their own war of independence, they received vital naval support from the French, then mortal enemies of the British. France and Britain in 1780, the United States and Russia in 1984. It is difficult to see the difference.

CONTRIBUTORS

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THURSDAY, NOVEMBER 1, 1984

WALL STREET WATCH

How to Land Sunny-Side Up
In the Hard-Boiled Market

By EDWARD ROHRBACH

International Herald Tribune

As even investors who only nibble on stocks know, the market has the heart of a 12-minute egg. But although Wall Street is hard-boiled, one expert who is not is Robert Farrell, chief market analyst for Merrill Lynch. He has just been named tops among "market timers" in an annual poll by Institutional Investor magazine, the ninth straight year he has been so honored by U.S. money managers.

With typical modesty, he commented that the poll recognizes analysts who "can sell their ideas best, not necessarily whether they make clients any money."

Well, even good eggs sometimes get scrambled, and Mr. Farrell's humility has on occasion been warranted. He was

hesitant, for example, to believe the 1982-83 rally. But his long-held contention that big capitalization stocks are where investors should be has paid off handsomely in 1984.

Asked what is the essence of "market timing," he said, "The big money-makers in the history of the stock market have been those willing to buy bad news and sell good news."

Market bottoms, he said, occur "quietly" when most investors are "looking down rather than up." Peaks are reached in an opposite atmosphere, he said, "even though it's hard for everyone to sell when prices look like they're going to the moon, or buy when the slow, frustrating trend has been down."

A tool he believes useful is what Merrill Lynch calls the annual rate of change. It measures where the Standard & Poor's 500-stock index stands compared with that month a year earlier.

Each time the annual rate of change has dropped to minus 10 percent or lower, a major bottom has occurred that year, Mr. Farrell noted. As for market tops, a reading of plus 30 or more shows stocks are "overbought" or vulnerable for a correction, he said. This became the case in the summer of 1983. Last July, when the annual rate of change dipped into the minus 10 to 20 range, the stage was set for the summer rally, he said.

"The annual rate of change measures excess in the market," he said. "It imposes a discipline that teaches investors to be buyers when prices are down and sellers when they are up."

BUT Mr. Farrell said that's only half the battle in beating the market's major fluctuations. Intuitive measurements of relative optimism and pessimism, which are more subtle to quantify, provide an equally useful guideline, he said.

One of his favorite indicators is what "trends have been elevated to the maximum public consciousness" by appearing as cover stories on national magazines. "This means the trend is already in the market," he explained, noting that a year and a half ago many magazines were featuring bulls on the cover.

"What everybody knows," he observed, "you can't make money on."

His approach is to try to establish what the consensus is and "look for an alternative." But because "everybody's a contrarian these days," some kind of confirmation is needed.

"For example, the consensus right now is that interest rates will trend down to year-end, then probably go up," he said. "Just as the fooler throughout 1984 was the economy staying strong against the consensus to keep rates high, now the fooler could be a cooling economy that allows rates to continue turning down."

Mr. Farrell likes to quote Eric Hoffer: "The true prophet is not he who predicts the future but he who reads and interprets the present."

Applied to the market, Mr. Farrell said, investors must try to (Continued on Page 13, Col. 3)

Storage
Asks Debt
ShelterTechnology Firm
Expects Big Loss

The Associated Press

LOUISVILLE, Colorado — Storage Technology Corp., a major producer of data-storage devices for large computers, filed Wednesday for court protection from creditors under Chapter 11 of the U.S. Bankruptcy Code.

Storage also said Wednesday that it would report a third-quarter loss of \$60 million, three times the estimate it made public earlier this month.

Storage Technology said its directors had determined that the filing under the Bankruptcy Code would help to reduce "the uncertainties inherent in its current capital structure."

"This protection will also allow Storage Technology to reorganize its capital base, develop and implement operating strategies and consider possible divestitures," the company said.

Storage Technology also said it was involved in talks with unspecified groups to obtain a capital "fund operations during the reorganization proceedings." Under Chapter 11, a company can continue to operate and is protected from creditor lawsuits pending a court-approved reorganization plan to pay off its debts.

Storage Technology's filing came less than a month after the company had said it would report a third-quarter loss of more than \$20 million, which would force it to break bank credit agreements. On that day, Oct. 8, the company dismissed 1,500 workers, reducing its worldwide labor force to about 14,000.

On Wednesday, the company said it had revised upward its anticipated loss to \$60 million.

In 1983, Storage Technology recorded a loss of \$40.9 million on sales of \$886.6 million, with much of the loss reflecting the company's decision to cancel plans to build its first large-scale computer.

In the first half of this year, it registered a loss of \$21.5 million on sales of \$484.9 million.

Storage Technology is a leading maker of the products used to store and retrieve information that mainframe computers generate.

Fried
Krupp GmbH

All dollar amounts in thousands

Year ended	1983	1982
Dec. 31		
Revenue	\$5,757,000	\$4,192,000
Net income	\$36,000	\$2,592

Main Lines of Business

Contribution to 1983 revenues

Steel	10%
Trading and Services	38%
Manufacturing	49%

Total assets, Dec. 31, 1983

\$3,373,000

Current assets

2,013,000

Current liabilities

667,251

Long-term debt

892,708

Employees, Dec. 31, 1983

69,291

Headquarters

Essen, West Germany

Stock

None

Krupp's Beitz: "I am the last of the steel barons. The race is dying out."

At Krupp, 'The Last Steel Baron'
Forges Ties Between East and West

By John Tagliabue

New York Times Service

ESSEN, West Germany — Before Erich Honecker, the East German leader, bowed to pressure from Moscow in September and canceled a long-planned visit to West Germany, one of the places he had expected to visit was the Villa Hugel, the elegant former home of the Krupps of Essen.

For some people, it must have seemed odd that the leader of the Communist German state, which came into being in part to smash the might of German industrial barons and capitalist cartels, should have wanted to see Villa Hugel, from which the Krupp empire is now run. After all, the Krupp family's role as gunsmiths to Prussian kings, German emperors and Adolf Hitler made it, in the eyes of many, the emblem of German expansionism and Prussian power — hardly an encouraging history in the view of East German Communism.

But the explanation for the curious link between the Communist and Krupp is Mr. Honecker's old friend, Berthold Beitz, 71, the industrialist who has headed the \$5.5-billion (in annual revenues) steel concern for the past 31 years.

A man who saved thousands of Jews and Poles from Nazi extermination camps during World War II, Mr. Beitz today is a national statesman and a Krupp strategist, trying to restructure his company's role in a deeply troubled steel industry, while traveling widely to establish or cement the contacts that have benefited Krupp and West German industry during his long tenure.

There are 15 companies in West Germany larger than Fried. Krupp GmbH, and although the company still produces electronic systems and parts for weapons, under the aegis of Mr. Beitz, Krupp and cannons have ceased to be synonymous.



The New York Times

U.S. Says Index
Of Leading
Indicators Rose

United Press International

WASHINGTON — The Index of Leading Economic Indicators gained 0.4 percent in September, the first increase in four months and a sign that the economic expansion will continue, the government said Wednesday.

The index would have been up a little more had some new information on factory orders published Wednesday been available earlier, the government said.

But the Commerce Department revised down August's index so that instead of being up 0.5 percent it was down 0.1 percent, completing the first three-month decline since late 1981.

"The September pickup in the leading index should ease concerns that the economic expansion is coming to an end," Commerce Secretary Malcolm Baldrige said.

Neither Mr. Baldrige nor the White House commented on two other, less favorable reports Wednesday, showing the U.S. trade situation continuing to deteriorate and factory orders dropping 1.8 percent in September.

The trade deficit for September was the second highest on record, \$12.6 billion, \$2.8 billion deeper than August. The deficit is expected to reach \$13 billion — nearly twice last year's record — by year's end.

Trade in heavy machinery and other items in an important category that generated big trade surpluses earlier in the 1980s remained in deficit for the second month.

Although Americans spent more on a wide variety of imported goods, they spent 5.4 percent less on imported oil in September, with the per-barrel price slipping 41 cents to \$28.11.

Six of the 11 leading indicators that were available for September contributed to the increase, led by the formation of new businesses.

Of the five negative indicators, new orders for factory goods was the worst.

The composite index, designed to look ahead to where the economy will be in the coming weeks and months, was down 2.3 percent over the past four months, more than the decline that served as a fore-

Dollar Declines
On U.S. Reports

The Associated Press

LONDON — The U.S. dollar fell Wednesday in Europe after the mixed U.S. economic reports. There was no apparent effect in the foreign-exchange markets from the assassination of Prime Minister Indira Gandhi of India. But gold prices rose as much as \$3 a ounce as news spread of the assassination, bullion traders said. Prices later retreated toward the close. Gold was fixed in London at \$333.50 an ounce, down from \$335.50 Tuesday.

Dealers in Europe said the economic reports had a mixed influence on the dollar. They said the dollar was supported by the report that the Index of Leading Economic Indicators rose 0.4 percent. But dealers said the dollar was hurt by reports of a \$12.6 billion trade deficit in September.

In Frankfurt, the dollar was quoted at 3.0380 Deutsche marks, down from 3.0535 Tuesday. In London, the dollar weakened to \$1.2167 to the pound from \$1.2125 Tuesday. There was no figure for the franc in Paris because of a partial holiday.

warning of the 1981-1982 recession.

However, during the Vietnam War in 1966, the index dropped for nine consecutive months without a recession.

The index for September reached 166.6, with a base of 100 in 1967. July's index was down 1.7 percent. June's index was down 0.9 percent.

An accompanying index of coincident indicators, which serves as a measure of the current economy rather than a barometer of future changes, showed the economy stood still in August.

September's economic activity as measured by the coincident indicators of employment, income, production and sales, was up only 0.1 percent.

Currency Rates

Official fixings for Amsterdam, Brussels, Milan, Paris, New York rates at 2 P.M. EDT.

	\$	£	D.M.	F.F.	Y.F.	Gld.	S.F.	S.P.	Yen
Amsterdam	3.416	4.164	112.80	36.77	0.1815	5.888	137.16	137.05	245.5
Brussels (a)	41.225	74.48	20.193	6.880	3.5335	—	24.54	24.59	—
Frankfurt	3.208	4.095	122.80	37.20	0.1815	5.888	137.16	137.05	245.5
London (b)	1.2167	—	2.4923	11.2514	2.29145	4.1439	74.49	3.0394	299.865
Milan	1.8810	2.29425	208.98	202.78	—	—	30.81	75.81	7.66
New York (c)	1.0000	1.2238	3.0168	9.2575	1.87550	3.4875	68.925	2.4825	245.25
Paris	—	—	—	—	—	—	—	—	—
Tokyo	245.25	297.73	80.76	26.34	13.04	71.66	408.11	9.37	—
Zurich	2.4985	3.0401	123.7	36.8	0.1826	72.16	4.0742	—	1.0164
1 ECU	0.7367	0.8461	2.2289	4.8245	1.2837	2.5123	44.997	1.8227	188.09
1 SDR	0.76022	0.8183	2.01818	N.D.	1.87379	3.4831	68.925	2.4825	245.25

Dollar Values

	\$	£	D.M.	F.F.	Y.F.	Gld.	S.F.	S.P.	Yen
Beitz	—	—	—	—	—	—	—	—	—
0.848 Australian	1.1792	1.819	1.819	—	—	—	—	—	—
0.849 Austrian Schilling	1.1792	1.819	1.819	—	—	—	—	—	—
0.848 Belgian Franc	1.1792	1.819	1.819	—	—	—	—	—	—
0.848 Canadian	1.1792	1.819	1.819	—	—	—	—	—	—
0.848 Danish Krone	1.1792	1.819	1.819	—	—	—	—	—	—
0.848 Dutch Guilder	1.1792	1.819	1.819	—	—	—	—	—	—
0.848 French Franc	1.1792	1.819	1.819	—	—	—	—	—	—
0.848 German Mark	1.1792	1.819	1.819	—	—	—	—	—	—
0.848 Italian Lira	1.1792	1.819	1.819	—	—	—	—	—	—
0.848 Japanese Yen	1.1792	1.819	1.819	—	—	—	—	—	—

(a) Commercial bank (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (d) Units of 100 (e) Units of 1,000 (f) Units of 10,000 (g) Units of 100,000 (h) Units of 1,000,000 (i) Units of 10,000,000 (j) Units of 100,000,000 (k) Units of 1,000,000,000 (l) Units of 10,000,000,000 (m) Units of 100,000,000,000 (n) Units of 1,000,000,000,000 (o) Units of 10,000,000,000,000 (p) Units of 100,000,000,000,000 (q) Units of 1,000,000,000,000,000 (r) Units of 10,000,000,000,000,000 (s) Units of 100,000,000,000,000,000 (t) Units of 1,000,000,000,000,000,000 (u) Units of 10,000,000,000,000,000,000 (v) Units of 100,000,000,000,000,000,000 (w) Units of 1,000,000,000,000,000,000,000 (x) Units of 10,000,000,000,000,000,000,000 (y) Units of 100,000,000,000,000,000,000,000 (z) Units of 1,000,000,000,000,000,000,000,000

Interest Rates

	1 mo.	3 mos.	6 mos.	1 year	2 years	3 years	4 years	5 years	10 years
1M	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
3M	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
6M	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
1Y	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4

Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

Asian Dollar Rates

Oct. 31

	1 mo.	3 mos.	6 mos.	1 year	2 years	3 years	4 years	5 years	10 years
1M	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
3M	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
6M	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
1Y	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4

Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

Key Money Rates

Oct. 31

	1 mo.	3 mos.	6 mos.	1 year	2 years	3 years	4 years	5 years	10 years
1M	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
3M	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
6M	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
1Y	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4

Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

Gold Prices

Oct. 31

	1 mo.	3 mos.	6 mos.	1 year	2 years	3 years	4 years	5 years	10 years
1M	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
3M	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
6M	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
1Y	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4

Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

Markets Closed

Oct. 31

	1 mo.	3 mos.	6 mos.	1 year	2 years	3 years	4 years	5 years	10 years
1M	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
3M	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
6M	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
1Y	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4

Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

U.S. Agencies Asked
To Delay EurobondsOPEC Cuts
AnnouncedOPEC Cuts
Announced

(Continued from Page 1)

full OPEC meeting, scheduled for Dec. 19 in Geneva.

Sheikh Yamani tried to dispel widespread doubts about Saudi Arabia's commitment to propping up OPEC prices.

"I am committed to defend the price of \$29, whatever I have to do for that," he said.

Here are the new quotas accepted by other OPEC members:

Algeria, 663,000 barrels a day, down 8.5 percent; Ecuador, 183,000, down 8.5 percent; Gabon, 137,000, down 8.5 percent; Indonesia, 1,189 million, down 8.5 percent; Iran, 2.3 million, down 4.2 percent; Kuwait, 900,000, down 4.2 percent; Libya, 990,000, down 10 percent

BUSINESS ROUNDUP

Bethlehem Steel Says Loss Shrank in Quarter

BETHLEHEM, Pennsylvania — Bethlehem Steel Corp. Wednesday reported that its third-quarter net loss narrowed from a year earlier to \$17.4 million on sales of \$1.4 billion.

The nation's No. 3 steelmaker, however, reported modest operating profit for the company as a whole for the quarter as well as

reduced operating losses in its basic steel business.

In the third quarter of 1983, Bethlehem posted a net loss of \$42.9 million on sales of \$1.2 billion.

For the first nine months of 1984, Bethlehem incurred a net loss of \$48 million, compared to a net loss of \$136.1 million in the like 1983 period.

Record levels of steel imports combined with customers' concern about a strike by automobile workers resulted in a sharp reduction in production and shipments during the third quarter, the company's chairman, Donald Trautlein, said.

Mr. Trautlein said that a "surge" in steel imports to more than 30 percent of the domestic market during the quarter "has caused us to lower our estimate of 1984 domestic industry shipments from 77 million to about 74 million tons. We now expect that Bethlehem will incur a loss for the fourth quarter and for the year 1984."

Operating profit for the third quarter was \$2.7 million, compared to an operating loss of \$54.2 million for the third quarter of 1983. For the first nine months of 1984, Bethlehem had operating profit of \$8.9 million, compared to an operating loss of \$286.8 million in the year-earlier period.

The previously announced restructuring of the company's pension trust investments, together with a restructuring of life insurance for retirees, resulted in a \$32-million reduction in employment costs for the third quarter and first nine months and will result in an additional \$31-million reduction in the fourth quarter, Mr. Trautlein said.

The company's basic steel segment had operating losses of \$13.4 million and \$28.3 million for the third quarter and first nine months of 1984, respectively, compared to operating losses of \$40.6 million and \$220.4 million for the like periods a year earlier. The reduced losses resulted from increased profitability in several product lines, Bethlehem said.

Textron Board Rejects Bid For Takeover

By Michael Schrage
Washington Post Service

PROVIDENCE, Rhode Island — Textron Inc.'s board Wednesday unanimously rejected an unsolicited purchase offer from Chicago Pacific Corp. valued at about \$1.57 billion.

The proposal is "not in the best interests of Textron or its stockholders," Raymond W. Caine Jr., a spokesman for the industrial conglomerate, said.

Chicago Pacific said earlier this week it would pursue its attempt to buy Textron if the board rejected the offer. Caine said Textron intends to have no further negotiations with Chicago Pacific.

The board said its financial adviser suggested that Chicago Pacific's offer of \$43 a share was inadequate, Mr. Caine said. He said other factors that prompted the board's rejection were the Illinois-based company's failure to demonstrate it had the money for the acquisition.

In consolidated New York Stock Exchange trading Tuesday, Textron rose \$1.25 to \$37.87 a share.

In 1983, Textron earned \$88.7 million on sales of nearly \$3 billion. Chicago Pacific is the successor to the Chicago, Rock Island & Pacific Railroad Co., whose nine-year federal bankruptcy proceedings ended on June 1. After it paid its creditors, the company emerged with an estimated \$250 million to \$300 million in cash.

GM Seen Posting A \$1-Billion Net in Quarter

The Associated Press

DETROIT — General Motors Corp. will turn a profit of more than \$1 billion in the fourth quarter, despite heavy production losses due to a strike in Canada, an analyst says.

"They'll come in at about a bit more than a billion," said David Healy, automotive industry analyst for Drexel Burnham Lambert Inc. in New York.

Analyst Gary Glaser of Sanford C. Bernstein & Co. Inc. in New York said he estimated the Canadian losses "will amount to about \$110 million after taxes, or about 35 cents a share."

The Canadian strike, begun at 13 plants by 36,000 members of the United Auto Workers union on Oct. 17, created parts shortages and forced the layoff of 51,890 of GM's 350,000 U.S. workers at 53 plants in 13 states. Accord was reached over the weekend.

IBM Expected to Begin Selling Computer-Phone Package

By Michael Schrage
Washington Post Service

NEW YORK — International Business Machines Corp. through its newly acquired Rolm Corp. subsidiary, is expected to announce this week that it will begin marketing office telephones and personal computers as a single package.

The new computer phones would be IBM's first voice-communications product in this country and would represent the computer giant's boldest challenge yet to American Telephone & Telegraph's dominance of the office-communications marketplace.

This mix of the two technologies highlights what most industry experts believe to be the ultimate convergence of the telecommunications and data-processing industries.

With more than \$650 million a year in revenues and more than 15,000 corporate customers, Rolm is a leader in the \$3-billion office PBX market, competing against AT&T and Northern Telecom.

IBM announced earlier this month that it intended to acquire the Santa Clara, California-based Rolm, a maker of office telecommunications switching equipment, for \$1.25 billion. This marked the first time IBM had purchased a company outright since 1962.

The new office work station, called Cedar, blends IBM's popular personal computer and a telephone into a single desktop package. Cedar links into Rolm's line of PBXs, which is the central switching technology that currently links voice telephones.

With Cedar, which has been under development at Rolm for more than a year, a user would be able to send voice and data communications through the phone lines simultaneously.

The unit offers a high-resolution, 80-by-25-character screen high-speed data-communications ability, a multiline personal phone, a speakerphone, a built-in calculator and 512 kilobytes of memory.

The so-called "integrated workstation" offers one-touch "log-on" for access to various databases and retrieving phone numbers from the computer phone's directory. The computer comes with dual drives and unspecified "productivity software." Software also enables it to emulate several different kinds of computer terminals.

There are a variety of local area network approaches but some only link computers and exclude voice.

Shipments of Cedar are expected to begin early next year.

The price of the package is expected to be more than \$4,200, which two analysts, who asked not to be named, described as "very aggressive."

They point out that Cedar, when linked to a Rolm PBX, would immediately offer offices a local area network over which voice and data communications could easily be exchanged. Many experts believe that linking personal computers and large computers into networks create electronic mail and other opportunities that will improve white-collar office productivity.

There are a variety of local area network approaches but some only link computers and exclude voice.

Other companies are exploring the integrated telephone-computer workstation. Compaq Computer Corp., which makes an IBM-compatible computer, is reportedly developing a computer phone. So is Zetron Inc., of Houston.

AT&T does not now offer a combined computer, phone package.

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The unit offers a high-resolution, 80-by-25-character screen high-speed data-communications ability, a multiline personal phone, a speakerphone, a built-in calculator and 512 kilobytes of memory.

The so-called "integrated workstation" offers one-touch "log-on" for access to various databases and retrieving phone numbers from the computer phone's directory. The computer comes with dual drives and unspecified "productivity software." Software also enables it to emulate several different kinds of computer terminals.

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How The Morgan Bank's financial analysts help clients solve complex problems



Shown at an appliance manufacturer in France are Morgan analysts Lam Nguyen-Phuong, London; Herbert Lohmeyer, Frankfurt; Sibille Winger-Schneider, Paris; Terry Eccles, New York-based head of the bank's financial analysis in Europe; Jonathan Engel, Brussels.

International companies, big and small, face challenging financial questions when planning growth strategies. Many of them turn to the Financial Analysis Department at The Morgan Bank for answers which are both knowledgeable and creative.

This department has more than 100 financial analysts and advisors based in 18 countries around the world. These professionals know their clients' finances and businesses. They also know the industries and countries in which their clients operate. No other bank or consulting firm can match this special resource, and its unique combination of business, strategic, and financial expertise.

The global structure of the department means each member of the team can call upon relevant experience and information sources throughout the network to arrive at creative and well-informed solutions to the client's problems.

Here are some recent examples of how we help clients with strategic financial planning.

□ An expanding French food company identified a prospective acquisition in the U.S. We answered these four key questions for them: What is the outlook for our target company? How much is it worth? How leveraged can it be and still be independently financed? What would the acquisition do to our own financial structure?

□ A U.S. multinational asked us about listing one of its subsidiaries on the German stock exchange: How receptive will the market be to a preferred issue? What is the likely market value of our common stock?

□ A U.K. company contemplating major changes in its business and financial strategy asked us to advise them on the following issues: How do different capital markets perceive our company? How do we go about improving these perceptions? Given our strategic objectives, expected financial condition, and market perceptions, what is our optimal mix of various debt and equity securities?

□ A privately-held Belgian company plan-

ning to change its group structure asked us to value its U.S. subsidiary for tax purposes.

□ A U.S. company wanting to export to Europe asked us to look at the following questions for nine different countries: What is the market demand for our product in the next few years? What are typical contract terms? Who are the major potential customers? What local characteristics should we be sensitive to in order to improve our chances of success?

□ A German industrial company balked at the asking price of an acquisition candidate. They wanted to know: How do our perception of value and theirs differ? What would be a fair price? How should we finance the deal?

For more on how we might help you answer strategic financial questions like these, talk with the Morgan banker who calls on your company, or write to Terence C. Eccles, Vice President, Financial Analysis Department, Morgan Guaranty Trust Company, 23 Wall Street, New York, NY 10015.

Member FDIC

The Morgan Bank

Wednesday's AMEX Closing

Vol. of 3 P.M. 4,000,000
Prev. 3 P.M. vol. 4,100,000
Prev. consolidated close 5,530,000

Tables include the nationwide prices up to the closing on Wall Street

12 Month High	Low	Stock	Div.	Yld.	PE	52 Wk. High	Low	Close	Chg.
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0

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10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
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10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
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10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
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10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0
10 1/2	10 1/2	ADN	20	11	11	10 1/2	10 1/2	10 1/2	0

Over-the-Counter

Oct. 31
NASDAQ National Market Prices

Sales in 100s	High	Low	3 P.M. Chg.
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100

Sales in 100s	High	Low	3 P.M. Chg.
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100

Sales in 100s	High	Low	3 P.M. Chg.
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100

Sales in 100s	High	Low	3 P.M. Chg.
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100

Sales in 100s	High	Low	3 P.M. Chg.
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100

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100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100
100	100	100	100

Aruba Refinery to Be Closed

The Associated Press

NEW YORK — Exxon Corp. said Wednesday that its affiliate in Aruba intends to shut its refinery early next year because of continuing long-term operating losses. Lago Oil & Transport Co., a wholly owned affiliate of Exxon, expects to end all refining and transshipping operations on Aruba by March 31, Exxon said.

OXY

Drex

All of these securities having been sold, this announcement appears as a matter of record only.

\$1,200,000,000



Occidental Petroleum Corporation

1,200,000 Units

\$1,200,000,000 9.65% Senior Subordinated Notes due 1994

(Interest payable April 15 and October 15)

with

6,000,000 Shares of Convertible Exchangeable Preferred Stock

Drexel Burnham Lambert
INCORPORATED

The First Boston Corporation

Donaldson, Lufkin & Jenrette
SECURITIES CORPORATION

Kidder, Peabody & Co.
INCORPORATED

Dean Witter Reynolds Inc.

October 1984

Promised C
Managua, Re